NEW ISSUE -- FULL BOOK-ENTRY **RATINGS: Moody's: "Aa2"**
See "RATING" herein

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to certain tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

$30,000,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)
Election of 2012 General Obligation Bonds, Series F

Dated: Date of Delivery **Due: August 1, as shown on inside cover page**

This cover page contains information for general reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

The Solano Community College District (Solano and Yolo Counties, California) Election of 2012 General Obligation Bonds, Series F (the "Bonds") in the aggregate principal amount of $30,000,000 were authorized at an election of the registered voters of the Solano Community College District (the "District") held on November 6, 2012 at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $348,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the Bonds.

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Boards of Supervisors of Solano and Yolo Counties (the "County Boards") are empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2024. The Bonds are issuable as fully registered Bonds in denominations of $5,000 principal amount or any integral multiple thereof. Payments of principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as paying agent, bond registrar, authentication agent and transfer agent (collectively, the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Bonds are subject to optional redemption prior to their stated maturity dates as described herein.

MATURITY SCHEDULE
(see inside cover page)

The Bonds are offered when, as and if issued, and received by the Underwriters subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed on for the Underwriters by Katten Muchin Rosenman LLP, New York, New York. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about December 19, 2023.

Piper Sandler **RBC Capital Markets**

Dated: *November 16,* 2023.

MATURITY SCHEDULE

$30,000,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)
Election of 2012 General Obligation Bonds, Series F

Base CUSIP†: 83412P

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2024	$830,000	5.000%	3.190%	JD5
2025	1,330,000	5.000	3.060	JE3
2026	685,000	5.000	2.990	JF0
2029	135,000	5.000	2.920	JG8
2030	275,000	5.000	2.950	JH6
2031	325,000	5.000	2.960	JJ2
2032	410,000	5.000	2.980	JK9
2033	510,000	5.000	3.000	JL7
2034	605,000	5.000	3.050(1)	JM5
2035	715,000	5.000	3.140(1)	JN3
2036	835,000	5.000	3.280(1)	JP8
2037	955,000	5.000	3.430(1)	JQ6
2038	1,300,000	5.000	3.530(1)	JR4
2039	1,485,000	5.000	3.670(1)	JS2
2040	1,810,000	5.000	3.770(1)	JT0
2041	2,310,000	5.000	3.830(1)	JU7
2042	8,295,000	5.000	3.920(1)	JV5
2043	2,195,000	4.000	4.240	JW3
2044	2,390,000	4.125	4.280	JX1
2045	2,605,000	4.125	4.320	JY9

(1) Yield to call at par on August 1, 2033.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the District nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

> "The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or the completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The District maintains a website and certain social media accounts. However, the information presented on such website is not part of this Official Statement, is not incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

SOLANO COMMUNITY COLLEGE DISTRICT

Governing Board

Denis Honeychurch, J.D., *President, Area 4*
Rosemary Thurston, *Vice President*, *Area 3*
Karimah Karah, J.D., *Trustee, Area 1*
A. Marie Young, *Trustee, Area 2*
Quinten R. Voyce, *Trustee, Area 5*
Amber Cargo-Reed, *Trustee*, *Area 6*
Amanda Lopez-Lara, *Trustee, Area 7*

District Administration

Dr. Celia Esposito-Noy, *Superintendent/President*
Susan Wheet, *Vice President*, *Finance and Administration*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Paying Agent

U.S. Bank Trust Company, National Association
San Francisco, California

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$30,000,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)
Election of 2012 General Obligation Bonds, Series F

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of Solano Community College District (Solano and Yolo Counties, California) Election of 2012 General Obligation Bonds, Series F (the "Bonds").

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

The District

Solano Community College (the "College") was founded in 1945 as Vallejo Junior College. The Solano Community College District (the "District") was established in 1967 when it separated from the Vallejo Unified School District. The boundaries of the District are coterminous with those of Solano County (the "County"), except for a portion of the Rio Vista area, which is not part of the District, and a portion of Yolo County (together with the County, the "Counties"). The College was constructed in 1972, is located on a 192-acre campus in Fairfield, California, and currently serves approximately 9,000 students per year. The College is currently fully accredited by the Accrediting Commission for Community and Junior Colleges (the "ACCJC") of the Western Association of Schools and Colleges. The District also operates an Education Center in Vacaville, California, which serves approximately 450 full-time equivalent student ("FTES") students per semester, and an Education Center in Vallejo, California, which serves approximately 565 FTES students per semester. The District's service area encompasses the communities of Benicia, Dixon, Fairfield, Suisun, Vacaville, Vallejo, and Winters, as well as Travis Air Force Base. For fiscal year 2023-24, the District has an assessed valuation of $68,423,844,706, and has budgeted an FTES count of 6,625.

The District is governed by a seven-member Governing Board (the "Board"), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent/President appointed by the Board who is responsible for management of day-to-day District operations as well as the supervision of the District's other key personnel. Dr. Celia Esposito-Noy is currently the District's Superintendent/President.

For more information regarding the District's tax base, see "TAX BASE FOR REPAYMENT OF BONDS" herein. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" and "SOLANO COMMUNITY COLLEGE DISTRICT" herein for more general information regarding the District and its finances. The District's audited financial statement for fiscal year ended June 30, 2022 is attached hereto as APPENDIX A and should be read in its entirety.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* property taxes upon all property within the District subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Purpose of Issues

The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the Bonds. See also "THE BONDS – Application and Investment of Bond Proceeds."

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons, and will mature on August 1 in the years indicated on the inside cover page hereof. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – General Provisions" and "THE BONDS – Book-Entry Only System" herein. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution described herein. See "THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners" or "Holders" of the Bonds (other than under the captions "INTRODUCTION – Tax Matters" and "TAX MATTERS" herein, and in APPENDIX B attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount or any integral multiple thereof.

Redemption. Certain of the Bonds are subject to optional redemption prior to their stated maturity dates, as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery of the Bonds (the "Date of Delivery"), and be payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing February 1, 2024. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as the designated paying agent, bond registrar, authenticating agent, and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners. See also "THE BONDS – Book-Entry Only System" herein.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California (the "State") personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to the resolution adopted by the Board. See "THE BONDS – Authority for Issuance" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about December 19, 2023 (the "Closing Date").

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District, as further described herein. For more complete information regarding the District's financial condition and taxation of property within the District and certain other considerations related thereto, see "TAX BASE FOR REPAYMENT OF BONDS," "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA," and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events. The specific nature of the information to be made available and of the notices of listed events is summarized under "LEGAL MATTERS – Continuing Disclosure" herein and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriters (as defined herein) in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation will receive compensation from the District contingent upon the sale and delivery of the Bonds. Katten Muchin Rosenman LLP, New York, New York is acting as counsel to the Underwriters for the Bonds. U.S. Bank Trust Company, National Association, San Francisco, California, has been appointed as Paying Agent for the Bonds. From time to time, Bond Counsel represents the Underwriters on matters unrelated to the District or the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "intend," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Vice President, Finance and Administration, Solano Community College District, 4000 Suisun Valley Road, Fairfield, California 94534, telephone: (707) 864-7209. The District may impose a charge for copying, mailing and handling.

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

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

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

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution (defined herein).

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, Article XIIIA of the State Constitution ("Article XIIIA"), and pursuant to a resolution adopted by the Board on October 18, 2023 (the "Resolution"). The District received authorization at an election held on November 6, 2012, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed $348,000,000 of general obligation bonds (the "2012 Authorization"). The Bonds are the sixth series of bonds issued pursuant to the 2012 Authorization, and following the issuance thereof, $28,003,100.85 of bonds will remain authorized but unissued. See also "SOLANO COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds" herein.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

Such *ad valorem* property taxes will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest on the Bonds, when due. The levy of *ad valorem* property taxes for payment of the Bonds may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish or maintain such a reserve for any of the Bonds, and the District can make no representation that either of the Counties will do so.

Such taxes, when collected, will be placed by the County in the Debt Service Fund (as defined herein), which are required to be segregated and maintained by the County and which are designated for the payment of the principal of and interest on the Bonds when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Building Fund (as defined herein) and the Debt Service Fund, the Bonds are not a debt of either of the Counties.

Moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The rate of the annual *ad valorem* property taxes levied by the Counties to repay the Bonds, will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service due on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in real property values, disruption in financial markets that may reduce the availability of financing for purchasers of property, outbreak of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire (including wildfire), sea level rise, drought, climate change or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIIIA of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. See "– Book-Entry Only System" herein. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing February 1, 2024. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2024, in which event it will bear interest from the Closing Date. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds will be payable upon maturity upon surrender at the designated office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds.

Annual Debt Service

The following tables show the debt service schedules with respect to the Bonds (assuming no optional redemptions are made):

ANNUAL DEBT SERVICE

Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment[1]	Total Annual Debt Service
2024	$830,000.00	$884,511.98	$1,714,511.98
2025	1,330,000.00	1,392,843.76	2,722,843.76
2026	685,000.00	1,326,343.76	2,011,343.76
2027	--	1,292,093.76	1,292,093.76
2028	--	1,292,093.76	1,292,093.76
2029	135,000.00	1,292,093.76	1,427,093.76
2030	275,000.00	1,285,343.76	1,560,343.76
2031	325,000.00	1,271,593.76	1,596,593.76
2032	410,000.00	1,255,343.76	1,665,343.76
2033	510,000.00	1,234,843.76	1,744,843.76
2034	605,000.00	1,209,343.76	1,814,343.76
2035	715,000.00	1,179,093.76	1,894,093.76
2036	835,000.00	1,143,343.76	1,978,343.76
2037	955,000.00	1,101,593.76	2,056,593.76
2038	1,300,000.00	1,053,843.76	2,353,843.76
2039	1,485,000.00	988,843.76	2,473,843.76
2040	1,810,000.00	914,593.76	2,724,593.76
2041	2,310,000.00	824,093.76	3,134,093.76
2042	8,295,000.00	708,593.76	9,003,593.76
2043	2,195,000.00	293,843.76	2,488,843.76
2044	2,390,000.00	206,043.76	2,596,043.76
2045	2,605,000.00	107,456.26	2,712,456.26
Total	$30,000,000.00	$22,257,793.44	$52,257,793.44

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2024.

Application and Investment of Bond Proceeds

The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the Bonds.

The proceeds of the sale from the sale of the Bonds, net of costs of issuance and any premium on the sale thereof, will be deposited into the building fund relating to the Bonds and held by the County (the "Building Fund"), and will be applied solely for the purposes for which the Bonds are being issued. Interest earnings in the Building Fund will be retained in such fund. Any excess proceeds of the Bonds not needed for authorized purposes for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. The County will have no responsibility for assuring the proper use of the proceeds of the Bonds.

The *ad valorem* property taxes levied by the Counties for the payment of the Bonds, when collected, will be held separate and apart by the County in the debt service fund relating to the Bonds created by the Resolution (the "Debt Service Fund"), and used only for payment of principal of and interest on the Bonds. Any premium or accrued interest received on the sale of the Bonds will be deposited in the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the Solano County Treasury Pool. See "APPENDIX E – SOLANO COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2033 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 2034 are subject to redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2033, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all Bonds of a series are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed by the District, and if not directed, in inverse order of maturity. Within a maturity of a series, the Paying Agent shall select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; <u>provided</u>, <u>however</u>, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000, or any integral multiple thereof.

Notice of Redemption. When optional redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds (or portions thereof). Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or, in the absence of such specification, as the Paying Agent may select.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "—Defeasance" herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in "—Defeasance" herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Conditional Redemption Notice. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in "—Defeasance" herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by the Paying Agent (or an independent escrow agent selected by the District), on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission such Redemption Notice in the same manner as such notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be irrevocably held in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but none of the District, nor the Underwriters take any responsibility for the accuracy or completeness thereof. The District and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has an S&P (as defined herein) rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct

Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its designated corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in the Resolution (the "Bond Register"). Subject to the provisions of the Resolution, the person in whose name a Bond is registered on the Bond Register will be regarded as the absolute owner of that Bond for all purposes of the Resolution. Payment of or on account of the principal of and interest and premium, if any, on any Bond will be made only to or upon the order of that person; neither the District, nor the Paying Agent will be affected by any notice to the contrary, but the registration may be changed as provided in the Resolution. All such payments will be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in San Francisco, California. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the address or bank and account number on file with the Paying Agent or at such other address as he or she may have filed with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and principal amount upon presentation and surrender at the designated corporate trust office of the Paying Agent, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such designated office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the owner equal to the principal amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash. By irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the Debt Service Fund, if any, is sufficient to pay all the Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations. By irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations (as defined herein) together with cash and amounts transferred from the Debt Service Fund and any other cash, if any, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon, and redemption premiums, if any), at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or by Moody's Investors Service ("Moody's").

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds	
Principal Amount of the Bonds	$30,000,000.00
Net Original Issue Premium	1,998,197.35
Total Sources	$31,998,197.35
Uses of Funds	
Building Fund	$29,875,000.00
Debt Service Fund	1,893,197.35
Costs of Issuance(1)	125,000.00
Underwriters' Discount	105,000.00
Total Uses	$31,998,197.35

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(1) Reflects all costs of issuance of the Bonds, including, but not limited to, legal fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from* ad valorem *property taxes levied and collected by the Counties on taxable property in the District, which taxes are unlimited as to rate or amount. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the Counties at the same time and on the same tax rolls as county, city and special district property taxes. Assessed valuations are the same for both the District's and Counties' taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes hands or new construction is completed. The Counties levy and collect all property taxes for property falling within the respective Counties' taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the tax-collecting authority of each of the Counties. After the second installment of taxes on the secured roll is delinquent, the tax-collecting authority of each of the Counties will collect a cost of $10 for preparing the delinquent tax records and giving notice of the delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a minimum $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the tax-collecting authority of each of the Counties.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid, are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "– Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including K-14 school districts (as defined herein), share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

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Assessed Valuations

The following table shows a 10-year history of the assessed valuations in the District as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

ASSESSED VALUATIONS[1]
Fiscal Years 2014-15 through 2023-24
Solano Community College District

	Local Secured	Utility	Unsecured	Total
Solano County Portion				
2014-15	$39,981,587,013	$27,034,506	$1,513,816,138	$41,522,437,657
2015-16	42,241,413,565	28,623,368	1,553,415,871	43,823,452,804
2016-17	44,878,755,970	26,497,706	1,639,073,389	46,544,327,065
2017-18	47,705,215,719	26,003,244	1,674,493,159	49,405,712,122
2018-19	50,514,903,787	25,328,303	1,684,191,429	52,224,423,519
2019-20	53,408,734,948	23,048,041	1,721,978,591	55,153,761,580
2020-21	56,144,016,097	23,836,841	1,829,000,724	57,996,853,662
2021-22	57,975,958,987	31,818,199	1,777,118,693	59,784,895,879
2022-23[2]	61,482,648,784	31,818,199	2,090,625,056	63,605,092,039
2023-24	64,840,422,717	24,464,103	2,134,359,711	66,999,246,531
Yolo County Portion				
	Local Secured	**Utility**	**Unsecured**	**Total**
2014-15	$683,989,788	$62,800	$36,691,877	$720,744,465
2015-16	723,555,315	62,800	38,731,014	762,349,129
2016-17	770,475,716	62,800	42,368,605	812,907,121
2017-18	834,548,098	75,340	42,024,907	876,648,345
2018-19	888,966,588	141,718	43,001,078	932,109,384
2019-20	953,484,386	75,340	43,943,815	997,503,541
2020-21	1,047,782,407	75,340	33,558,592	1,081,416,339
2021-22	1,157,467,966	135,170	35,608,356	1,193,211,492
2022-23	1,258,085,608	135,170	34,889,576	1,293,110,354
2023-24	1,381,031,983	135,170	43,431,022	1,424,598,175
Total District				
	Local Secured	**Utility**	**Unsecured**	**Total**
2014-15	$40,665,576,801	$27,097,306	$1,550,508,015	$42,243,182,122
2015-16	42,964,968,880	28,686,168	1,592,146,885	44,585,801,933
2016-17	45,649,231,686	26,560,506	1,681,441,994	47,357,234,186
2017-18	48,539,763,817	26,078,584	1,716,518,066	50,282,360,467
2018-19	51,403,870,375	25,470,021	1,727,192,507	53,156,532,903
2019-20	54,362,219,334	23,123,381	1,765,922,406	56,151,265,121
2020-21	57,191,798,504	23,912,181	1,862,559,316	59,078,270,001
2021-22	59,133,426,953	31,953,369	1,812,727,049	60,978,107,371
2022-23	62,740,734,392	31,953,369	2,125,514,632	64,898,202,393
2023-24	66,221,454,700	24,599,273	2,177,790,733	68,423,844,706

(1) Net of all exemptions except homeowners, which is reimbursed by the State.
(2) Source: School VD Rate Calculation report, Solano County Auditor Controller's Office.
Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, outbreak of disease, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire (including wildfire), sea level rise, drought, climate change or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the Counties to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" and "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein.

Seismic Events. The District is located in the San Francisco Bay Area, a seismically active region of the State, into which extend several major earthquake faults. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. In recent years the State has experienced severe drought conditions. In January of 2014, the Governor of the State (the "Governor") declared a statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's rivers and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021 the Governor expanded the declaration to further include an additional nine counties, including the County. On October 19, 2021, the Governor extended the declaration to include the remaining counties in the State, such that the drought state of emergency was in effect Statewide. On June 28, 2022, the Governor issued Executive Order N-7-22, which directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans.

Significant snowfall and precipitation in the State commencing in January 2023 have generally eliminated most of the State's drought conditions. According to the U.S. Drought Monitor, portions of the State in the far north and lower south-west regions continue to be classified in the abnormally to severe drought categories, however, the majority of the State, including the County, is currently classified as having no drought conditions. In addition, on March 24, 2023, the Governor rescinded most of his emergency drought declarations, including Executive Order N-27-22. The District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future.

The District cannot make any representation regarding the effects that the drought had, or, if it should reoccur, may have on the value of taxable property within the District, or to what extent future droughts could cause disruptions to economic activity within the boundaries of the District.

Sea Level Rise. The County's most recent Hazard Mitigation Plan (the Solano County Multi-Hazard Mitigation Plan, 2012) (the "Hazard Mitigation Plan") identified a risk to coastal areas in the southwestern portion of the County resulting from a projected, accelerated sea level rise during the 21st Century as compared to historical rates. The Hazard Mitigation Plan reports that if the sea level were to rise to certain levels, the resulting flooding could damage infrastructure and property in the County and could adversely affect the assessed valuation of property within the District. The County has developed the Sea Level Rise Strategic Program to address climate changes and associated sea level rise, including investigating the potential effects in the County, identifying properties and resources susceptible to sea level rise, and developing protection and adaptation strategies. The Hazard Mitigation Plan is available on the County website (https://www.solanocounty.com/depts/oes/emergency_plans.asp); however, neither the Hazard Mitigation Plan nor the County's website is incorporated by reference herein. Various other state and local agencies (including certain cities within the District) have produced reports or assessments in connection with planning for the potential effects of sea level rise. The District is unable to predict whether sea level rise, or associated impacts thereof, will occur, and if any such events occur, whether they will have a material adverse effect on the assessed valuation of property within the District, the financial condition of the District or more generally the region's economy.

Wildfires. In addition, major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020 and the summer of 2021. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

The northwest portion of the District is located in an area which the Department of Forestry and Fire Protection of the State of California has designated as a very high fire hazard severity zone, and much of the western side of the District is located in an area designated as a high fire hazard severity zone. Mapping of areas in the State, referred to as Fire Hazard Severity Zones (FHSZ), is based on data and models of potential fuels over a 30-50 year time horizon and their associated expected fire behavior, and expected burn probabilities to quantify the likelihood and nature of vegetation fire exposure (including firebrands) to new construction. More information regarding Fire Hazard Severity Zones, including the most recent Fire Hazard Severity Zone Maps, can be found at the California Department of Forestry and Fire Protection website at https://osfm.fire.ca.gov/divisions/wildfire-planning-engineering/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/, though such website is not incorporated herein by reference.

LNU Complex Fire. From August 17, 2020 to October 2, 2020, a wildfire burned across portions of Lake, Napa, Sonoma, Solano, and Yolo Counties, including area within the boundaries of the District (the "LNU Lightning Complex Fire"). The LNU Lightning Complex Fire burned 363,220 acres, destroyed 1,491 structures, and damaged an additional 232 structures. The structural damage of the LNU Lighting Complex Fire within the County has been estimated by the County Assessor to be approximately $100 million. The District can make no representation whether or not the actual total cost within the County of the LNU Lighting Complex Fire will be higher or lower than the current estimates, the time required to rebuild the properties that were damaged or destroyed and related assessed valuation, or to what extent such damage will negatively impact the assessed valuation within the boundaries of the District.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See also "—Drought" and "—Wildfires" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Appeals and Adjustments of Assessed Valuations. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, outbreak of disease, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire (including wildfires), sea level rise, drought or toxic contamination pursuant to relevant provisions of the State Constitution. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by county assessors, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

Assessed Valuation by Jurisdiction

The following table shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2023-24 assessed valuation.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2023-24
Solano Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Benicia	$7,118,525,631	10.40%	$7,118,525,631	100.00%
City of Dixon	3,114,372,300	4.55	3,114,372,300	100.00
City of Fairfield	18,476,770,407	27.00	18,476,770,407	100.00
City of Suisun	3,138,268,316	4.59	3,138,268,316	100.00
City of Vacaville	16,510,568,595	24.13	16,510,568,595	100.00
City of Vallejo	13,941,403,147	20.38	13,941,403,147	100.00
City of Winters	998,447,843	1.46	998,447,843	100.00
Unincorporated Solano County	4,699,338,135	6.87	5,935,226,922	79.18
Unincorporated Yolo County	426,150,332	0.62	6,107,245,448	6.98
Total District	$68,423,844,706	100.00%		
Summary by County:				
Solano County	$66,999,246,531	97.92%	$70,305,844,251	95.30%
Yolo County	1,424,598,175	2.08	36,331,598,694	3.92
Total District	$68,423,844,706	100.00%		

Source: California Municipal Statistics, Inc.

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Assessed Valuation and Parcels by Land Use

The following shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2023-24 assessed valuation of such parcels (excluding utility and unsecured assessed valuations).

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2023-24
Solano Community College District

Non-Residential:	**2023-24 Assessed Valuation[1]**	**% of Total**	**No. of Parcels**	**% of Total**
Agricultural	$1,503,461,265	2.27%	3,215	2.24%
Commercial/Office/Recreational	5,720,484,496	8.64	3,245	2.26
Vacant Commercial	378,868,983	0.57	801	0.56
Industrial	6,337,913,111	9.57	1,120	0.78
Vacant Industrial	334,465,031	0.51	466	0.32
Government/Social/Institutional	219,823,963	0.33	790	0.55
Subtotal Non-Residential	$14,495,016,849	21.89%	9,637	6.71%
Residential:				
Single Family Residence	$44,920,287,100	67.83%	113,675	79.14%
Condominium/Townhouse	1,841,426,817	2.78	8,818	6.14
Mobile Home	53,805,020	0.08	1,393	0.97
Mobile Home Park	120,662,386	0.18	53	0.04
2+ Residential Units/Apartments	4,158,078,352	6.28	5,054	3.52
Miscellaneous Residential	18,530,269	0.03	122	0.08
Vacant Residential	613,647,907	0.93	4,893	3.41
Subtotal Residential	$51,726,437,851	78.11%	134,008	93.29%
Total	$66,221,454,700	100.00%	143,645	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single Family Homes

The following table shows the distribution of single family homes within the District among various fiscal year 2023-24 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2023-24
Solano Community College District

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	113,675	$44,920,287,100	$395,164	$371,216

2023-24 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	1,139	1.002%	1.002%	$44,379,837	0.099%	0.099%
50,000 - 99,999	5,518	4.854	5.856	409,682,737	0.912	1.011
100,000 - 149,999	6,220	5.472	11.328	791,065,836	1.761	2.772
150,000 - 199,999	9,200	8.093	19.421	1,617,183,190	3.600	6.372
200,000 - 249,999	10,365	9.118	28.539	2,335,600,674	5.199	11.571
250,000 - 299,999	10,281	9.044	37.583	2,823,402,350	6.285	17.857
300,000 - 349,999	9,843	8.659	46.242	3,194,531,593	7.112	24.968
350,000 - 399,999	10,008	8.804	55.046	3,752,274,223	8.353	33.322
400,000 - 449,999	9,835	8.652	63.698	4,181,676,405	9.309	42.631
450,000 - 499,999	9,332	8.209	71.908	4,428,932,589	9.860	52.490
500,000 - 549,999	7,918	6.965	78.873	4,151,941,455	9.243	61.733
550,000 - 599,999	6,480	5.700	84.574	3,717,528,128	8.276	70.009
600,000 - 649,999	5,019	4.415	88.989	3,130,214,796	6.968	76.977
650,000 - 699,999	3,699	3.254	92.243	2,489,613,371	5.542	82.520
700,000 - 749,999	2,394	2.106	94.349	1,732,551,728	3.857	86.377
750,000 - 799,999	1,725	1.517	95.866	1,333,845,137	2.969	89.346
800,000 - 849,999	1,201	1.057	96.923	989,460,580	2.203	91.549
850,000 - 899,999	892	0.785	97.707	779,483,979	1.735	93.284
900,000 - 949,999	686	0.603	98.311	633,915,311	1.411	94.695
950,000 - 999,999	396	0.348	98.659	385,575,339	0.858	95.553
1,000,000 and greater	1,524	1.341	100.000	1,997,427,842	4.447	100.000
	113,675	100.000%		$44,920,287,100	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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Tax Levies, Collections and Delinquencies

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of the calendar year, and if unpaid, become delinquent after December 10 and April 10, respectively. A 10% penalty attaches to any delinquent installment plus a minimum $10 cost on the second installment, plus any additional amount determined by the tax collector of the relevant county. See "– *Ad Valorem* Property Taxation" herein.

Pursuant to Revenue and Taxation Code Section 4985.2, the tax collector of each of the Counties may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due. See "– Alternative Method of Tax Apportionment – Teeter Plan" and "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein.

The annual secured tax levies within the portion of the District located within the County for fiscal years 2013-14 through 2021-22, and amounts delinquent as of June 30, are shown below.

SECURED TAX LEVIES AND DELINQUENCIES
2013-14 through 2021-22
Solano Community College District
(Solano County Portion Only)

	Secured Tax Charge[1]	Amount Delinquent June 30	% Delinquent June 30
2013-14	$14,311,407.58	$157,207.49	1.10%
2014-15	14,499,032.66	134,603.76	0.93
2015-16	14,578,404.37	39,261.93	0.96
2016-17	15,537,485.74	131,372.53	0.85
2017-18	11,471,695.38	101,552.90	0.89
2018-19	19,365,141.30	206,443.90	1.07
2019-20	16,829,647.94	177,383.38	1.05
2020-21	17,381,093.22	166,758.17	0.96
2021-22	18,996,698.54	204,186.18	1.07

(1) District's general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Boards of Supervisors of each of the Counties have approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in California Revenue and Taxation Code Section 4701 *et seq.* Under the Teeter Plan, each of the Counties apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the respective county acts as the tax-levying or tax-collecting agency.

The Teeter Plan of each of the Counties is applicable to all tax levies for which such county acts as the tax-levying or tax-collecting agency, or for which such county's treasury is the legal depository of the tax collections. As adopted by each of the Counties, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The secured *ad valorem* property tax to be levied to pay the principal of and interest on the Bonds and will be subject to the Teeter Plan of each of the Counties, beginning in the first year of such levy. Accordingly, the District will receive 100% of the secured *ad valorem* property tax levied to pay such Bonds irrespective of actual delinquencies in the collection of the tax by each of the respective Counties.

The Teeter Plan of each of the Counties is to remain in effect unless the respective Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in such county. In the event the Board of Supervisors of either of the Counties is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

There can be no assurance that each of the Counties will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the Counties to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's control or the control of either of the Counties, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein.

Notwithstanding any possible future change to or discontinuation of the Teeter Plan in the Counties or increases in property tax delinquencies, State law requires the Counties to levy *ad valorem* property taxes sufficient to pay the principal of and interest on the Bonds, when due.

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Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2023-24 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

PRINCIPAL TAXPAYERS
Fiscal Year 2023-24
Solano Community College District

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total[1]
1.	Valero Refining Company California	Industrial – Refinery	$905,707,764	1.37%
2.	Genentech Inc.	Industrial	743,991,192	1.12
3.	Anheuser-Busch Comm Strat LLC	Industrial	330,669,631	0.50
4.	Star-West Solano LLC	Commercial	204,890,988	0.31
5.	PW Fund A LP	Industrial	181,874,061	0.27
6.	Icon Owner Pool 1 SF N-B P LLC	Industrial	151,813,787	0.23
7.	REEP-IND Stanford Court CA LLC	Industrial	139,740,000	0.21
8.	Nella NT, LLC	Commercial	127,294,996	0.19
9.	Centro Watt Property Owner II	Commercial	123,947,969	0.19
10.	Wal-Mart Real Estate Business Trust	Commercial	121,500,864	0.18
11.	CPG Finance II LLC	Commercial	118,190,516	0.18
12.	Cordelia Winery LLC	Industrial	112,993,821	0.17
13.	TGA Midway Dist Center LLC	Industrial	112,710,000	0.17
14.	Gateway 80 Owner LP	Industrial	109,364,607	0.17
15.	Travis Way LLC	Apartments	105,777,939	0.16
16.	The Nimitz Group	Industrial	99,336,223	0.15
17.	Meyer Cookware Industries Inc.	Industrial	98,220,930	0.15
18.	Park Management Corp.	Theme Park	95,881,704	0.14
19.	MG North Pointe Apartments LLC	Apartments	93,981,743	0.14
20.	PW Fund B LP	Industrial	92,638,944	0.14
			$4,070,527,679	6.15%

(1) 2023-24 Local Secured Assessed Valuation: $66,221,454,700.
Source: California Municipal Statistics, Inc.

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Tax Rates

Representative tax rate areas ("TRAs") located within the District are TRAs 1-000, 1-003, and 7-000. The tables below show the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in these TRAs during the five-year period from fiscal years 2018-19 through 2022-23.

TYPICAL TAX RATES
Fiscal Years 2018-19 through 2022-23
Solano Community College District

TRAs 1-000(1) and 1-003(2)

	2018-19	2019-20	2020-21	2021-22	2022-23
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
City of Benicia	.000000	.000000	.000000	.000000	.000000
Benicia Unified School District	.121456	.135556	.133256	.135458	.143286
Solano Community College District	.038889	.032035	.031639	.033130	.026214
Solano County State Water Project	.020000	.020000	.020000	.020000	.020000
Total Tax Rate	1.180345%	1.187591%	1.184895%	1.188588%	1.189500%

TRA 7-000(3)

	2018-19	2019-20	2020-21	2021-22	2022-23
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Vallejo Unified School District	.070322	.121402	.121929	.090372	.098964
Solano Community College District	.038889	.032035	.031639	.033130	.026214
Solano County State Water Project	.020000	.020000	.020000	.020000	.020000
Total Tax Rate	1.129211%	1.173437%	1.173568%	1.143502%	1.145178%

(1) 2022-23 assessed valuation of TRA 1-000 is $3,471,892,103 which is 5.14% of the district's total assessed valuation.
(2) 2022-23 assessed valuation of TRA 1-003 is $1,652,509,428 which is 2.45% of the district's total assessed valuation.
(3) 2022-23 assessed valuation of TRA 7-000 is $7,872,307,849 which is 11.66% of the district's total assessed valuation.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., dated as of October 2, 2023, for debt issued as of October 1, 2023. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

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

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Solano Community College District

2023-24 Assessed Valuation: $68,423,844,706

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 10/1/23**
Solano County Community College District	**100.000%**	**$330,265,887** [1]
Benicia Unified School District	100.000	45,318,917
Dixon Unified School District	100.000	51,731,999
Fairfield-Suisun Joint Unified School District	0.993	240,828,008
Vacaville Unified School District	100.000	218,999,000
Vallejo Unified School District	100.000	146,390,000
Winters Joint Unified School District	100.000	51,760,000
Cities	100.000	6,628,643
Community Facilities Districts	100.000	194,793,705
1915 Act Bonds	100.000	33,120,642
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,319,836,801
OVERLAPPING GENERAL FUND DEBT:		
Solano County Certificates of Participation	95.297%	$71,277,391
Solano County Pension Obligation Bonds	95.297	8,872,151
Yolo County and Board of Education Certificates of Participation	0.039	2,449,393
Unified School District General Fund Obligations	99.288 - 100.000	71,809,900
City of Fairfield Pension Obligation Bonds	100.000	25,600,000
City of Vallejo General Fund Obligations	100.000	25,150,169
Other City General Fund Obligations	100.000	25,299,994
Greater Recreation District Pension Obligation Bonds	100.000	3,941,000
TOTAL OVERLAPPING GENERAL FUND DEBT		$234,399,998
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$68,757,820
COMBINED TOTAL DEBT		$1,622,994,619 [2]

Ratios to 2023-24 Assessed Valuation:
Direct Debt ($330,265,887)..0.48%
Total Direct and Overlapping Tax and Assessment Debt 1.93%
Combined Total Debt...2.37%

Ratios to Redevelopment Incremental Valuation ($14,563,999,765):
Total Overlapping Tax Increment Debt 0.47%

(1) Excludes the Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties on the taxable property in the District for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such information that these laws impose any limitation on the ability of the Counties to levy taxes for payment of the Bonds. The tax levied by the Counties for payment of the principal of and interest on the Bonds was approved by the voters of the District in compliance with Article XIIIA, Article XIIIC, and all applicable laws.

Article XIIIA of the California Constitution

Article XIIIA limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor of each county. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the fiscal year 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the "full cash value" is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by State voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rates levied by the Counties to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (iii) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the Legislature of the State (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amends Article XIIIA to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the Counties to pay the debt service on the Bonds.

Legislation Implementing Article XIIIA

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

Increases of assessed valuation resulting from reappraisals of property due to new construction or change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIIIA.

State-Assessed Utility Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions. Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's financing formula for community college districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" herein.

Proposition 50 and Proposition 171

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

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

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

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

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

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution (“Article XIIIB”), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) “change in the cost of living” with respect to school districts and community college districts (collectively, “K-14 school districts”) to mean the percentage change in State per capita income from the preceding year, and

(b) "change in population" with respect to K-14 school districts to mean the percentage change in the average daily attendance of such K-14 school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for fiscal year 1986-87 adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "—Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, State voters approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including K-14 school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as K-14 school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the Counties pursuant to Article XIIIA. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, State voters approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, State voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act, have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus.

The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the State budget for each fiscal year.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and education funding priority and allocation. Proposition 111 took effect on July 1, 1990.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in pupil attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such districts' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into such districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, all appropriations for "qualified capital outlay projects," as defined by the Legislature, are excluded. Also, any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990 are all excluded. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) a certain percentage of State general fund revenues (Test 1) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (Test 2). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) Test 3, which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to K-14 school districts (also referred to as a "maintenance factor") which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as "Proposition 39") to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-14 school districts, including the District, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election would not exceed $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district, such as the District), when assessed valuation is projected to increase in accordance with Article XIIIA. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See "- Article XIIIA of the California Constitution" herein.

Jarvis vs. Connell

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

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by State voters on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to K-14 school districts or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for K-14 school districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee (defined herein) for school districts and community college districts. See "– Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of average daily attendance and no community college district will receive less than $100 per FTES. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, State voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

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

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 22, 26, 30, 39, 51, 55, and 98 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of the information under this heading that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the Counties in an amount sufficient for the payment thereof.

Major Revenues

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

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

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

"Community supported" community college districts (formerly referred to as "basic aid" districts) are those districts whose local property taxes, student enrollment fee collections, and EPA funds exceed the revenue allocation determined by the current State funding model. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 55" herein. Thus, community supported districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for community supported districts is that the legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not currently a community supported district.

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

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

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

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

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

The SCFF includes several hold-harmless provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2021-22, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2022-23 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above).

State budgetary legislation has extended the hold harmless provisions of the SCFF through fiscal year 2024-25. In addition, Assembly Bill 183, the higher education budgetary trailer bill for fiscal year 2022-23, extended revenue protections for community college districts in a modified form, with the goal of avoiding sharp fiscal declines and supporting a smooth transition to the SCFF over time. Specifically, beginning in fiscal year 2025-26, a community college district will receive the greater of (i) the funding allocation calculated by the SCFF, or (ii) an amount equal to its fiscal year 2024-25 general purpose apportionment, the latter of which will represent a floor below which such district's funding cannot drop. This revised hold harmless provision does not include adjustments to reflect cumulative COLAs over time, so a district's hold harmless amount will not grow.

<u>Base Allocation.</u> The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see "—Enrollment Based Funding" herein), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation was expected to constitute approximately 70% of Statewide funding for community college districts in fiscal year 2018-19, 65% in fiscal year 2019-20 and 60% in fiscal years 2020-21 and onward.

The SCFF provided a minimum funding level for credit FTES of $3,727 for fiscal year 2018-19. For fiscal year 2019-20, the State budget for that year recalculated funding rates in the Base, Supplemental and Student Success Allocations so that 70% of SCFF funds would be allocated to the base allocation. Since fiscal year 2020-21, funding rates have been adjusted for COLAs provided by State budgetary legislation, and the distribution of funds across the three SCFF allocations (as further described herein) may vary by district. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts that were entitled to higher funding rates under the prior funding formula. Future provisions of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act are excluded from the three-year average and will instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students is excluded and funded consistent with the prior funding formula.

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

The table below shows a breakdown of the District's historical resident FTES figures for fiscal years 2013-14 through 2022-23, and a budgeted amount for fiscal year 2023-24.

RESIDENT FULL TIME EQUIVALENT STUDENTS [1]
Fiscal Years 2013-14 through 2023-24
Solano Community College District

Fiscal Year	Funded FTES[2]	Stability Funding[3]
2013-14	8,178.84	--
2014-15	6,916.18	1,263.25
2015-16	8,287.85	--
2016-17	6,485.00	1,802.85
2017-18	7,986.91	--
2018-19	6,173.72	1,756.38
2019-20[4]	7,203.00	--
2020-21	6,600.00	--
2021-22	6,200.00	--
2022-23	6,212.54	--
2023-24[5]	6,624.99	--

(1) One FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District. Reflects resident FTES counts only. Non-resident FTES are generally excluded from State funding formula calculations.
(2) Previously, the State established an enrollment cap on the maximum number of FTES, known as the "funded" FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district's enrollment cap is based on the previous fiscal year's reported FTES, plus the growth allowance provide for by the State budget, if any. All student hours in excess of the enrollment cap are considered "unfunded" FTES.
(3) Represents FTES above the District's actual FTES, which is funded through the State's stability funding mechanism. Under California Code of Regulations Section 58776, during the initial year of a decline in FTES, community college districts are eligible to receive "stability" funding, in an amount equal to the revenue loss associated with a decline in FTES for that year. Stability funding is available for a one-year period. If FTES are not restored to the pre-decline level within a period of two years following the initial decline, a community college district that has received stability funding is subject to a permanent reduction of its funded FTES and an attendant decline in operating revenue.
(4) The State provided districts with the ability to utilize P-1 FTES numbers for P-2 to protect colleges from FTES loss due to the COVID-19 pandemic. See also "— Considerations Regarding COVID-19" herein.
(5) Budgeted.
Source: Solano Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that receive Federal Pell Grants, a student who is granted an exemption from nonresident tuition pursuant to Education Code Section 68130.5 (AB540), and student fee waivers under Education Code Section 76300 (California College Promise Grant). The SCFF provided $919 per qualifying student for fiscal year 2018-19. Headcounts are not unduplicated, such that districts will receive twice or three times as much supplemental funding for a student that falls into more than one of the aforementioned categories. Beginning in fiscal year 2019-20, the 2019-20 State budget recalculated funding rates for supplemental allocation so that in 2019-20, 20% of the SCFF funds would be allocated for the supplemental allocation. Since fiscal year 2020-21, funding rates have been adjusted for COLAs provided by State budgetary legislation, and the distribution of funds across the three SCFF allocations may vary by district.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. Each metric is assigned a point value, with some metrics are weighted more than others. A single student outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding. The student success allocation counts only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation will also calculate based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding. The Student Success Allocation accounted for 10% of statewide funding for community college districts in fiscal years 2018-19 and 2019-20. Since fiscal year 2020-21, funding rates have been adjusted for COLAs provided by State budgetary legislation, and the distribution of funds across the three SCFF allocations may vary by district.

Considerations Regarding COVID-19

General. An outbreak of disease or similar public health threat, such as the ongoing coronavirus ("COVID-19") pandemic, or fear of such an event, could have an adverse impact on the District's financial condition and operating results.

The spread of COVID-19 continues to have significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus.

To date there have been millions of confirmed cases in the United States, and over one million deaths related to COVID-19. Although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will continue to grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools through much of 2020 and portions of 2021, as well as supply chain issues and significant increases in inflation as these restrictions and closures have been lifted. Stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Federal Response. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed by the President of the United States. The CARES Act appropriated over $2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. On December 27, 2020, the President of the United States signed the Coronavirus Relief and Response Supplemental Appropriations Act, 2021 ("CRRSA"), which included approximately $900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The CRRSA provided approximately $82 billion of COVID-19 related relief for education, including $54.3 billion for K-12 schools (largely through Title I funding), $22.7 billion for higher education and $4 billion for state governors to spend at their discretion. On March 12, 2021, the President signed the American Rescue Plan Act of 2021 (the "American Rescue Plan"), which provides approximately $1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The

American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses. On April 10, 2023, the President signed a resolution ending the national emergency, and on May 11, 2023, the public health emergency expired.

State Response. On March 17, 2020, the Governor signed Senate Bill 89 ("SB 89"), which amended the Budget Act of 2019 by appropriating $500,000,000 from the State General Fund for any purpose related to executing the emergency proclamation issued by the Governor on March 4, 2020.

During certain emergency conditions, state regulations provide that a community college district may be provided an "emergency conditions allowance," calculated to approximate the same general purpose apportionment that such district would have received in absence of the emergency. Emergency conditions are defined to include epidemics, an order from a city or county board of health or the State Board of Health, or another emergency declared by the State or federal government. Districts are required to demonstrate that the occurrence of the emergency condition prevented the district from maintaining its schools during a fiscal year for a period of 175 days, or caused the district's general purpose apportionment to be materially decreased in that year or in subsequent years. To receive the emergency conditions allowance, a district must demonstrate to the satisfaction of the Chancellor that the district made good faith efforts to avoid material decreases in general purposes apportionments. Community college districts may also seek a waiver of the 175-day requirement. Finally, the Board of Governors of the California Community Colleges (the "Board of Governors"), on March 16, 2020, granted the Chancellor temporary emergency powers to suspend or waive State regulatory requirements and local rules and regulations that present barriers to the continuity of educational services. This temporary grant is in addition to standing emergency powers of the Chancellor to hold community college districts financially harmless in the wake of campus closures.

District Response. From March 2020 through the 2020-21 school year, the College was largely closed for in-person instruction, and the District transitioned to distance learning for most classes. For fiscal year 2021-22, the District began to offer a mix of in-person and remote instruction, as well as hybrid classes which are mix of both. The District returned to in-person classes for the 2021-22 academic year.

The District has been awarded a total of $13,512,103 in COVID-19-related federal and State funding, including (i) $9,603,279 in CARES Act funding through the Higher Education Emergency Relief Fund (HEERF) and (ii) $3,908,824 in federal and state block grants. The District has expended approximately $12,361,072 of such funding, including $7,539,630 to students in the form of emergency financial aid grants. The District plans to expend the remainder of funds prior to any applicable grant expiration dates.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction if schools and colleges are required to close, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, have had a material impact on the investments in the State pension trusts. Such investments could continue to be impacted by the lingering effects of the COVID-19 pandemic, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool and, in turn, result in material changes to the District's required contribution rates in future fiscal years. See "—Retirement Programs" herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the District's operations and finances is unknown. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to the Governor's office (http://www.gov.ca.gov), the California Department of Public Health (http://covid19.ca.gov/), the County (https://www.solanocounty.com/depts/ph/) and the Chancellor's Office (https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/Communications-and-Marketing/Novel-Coronavirus). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.*

The ultimate impact of COVID-19 on the District's operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or FTES within the District or materially adversely impact the financial condition or operations of the District. See also "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Budget Procedures

On or before September 15, the board of trustees of a community college district is required under California Code of Regulations Section 58305, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges (the "Chancellor's Office"), submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the Governor, and by January 10 a proposed State budget is presented by the Governor to the State Legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the Governor issues a revised budget with changes he or she can support. The law requires the State Legislature to submit its approved budget by June 15, and by June 30 the Governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of the State's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See “SOLANO COMMUNITY COLLEGE DISTRICT – General Fund Budgeting” herein for more information regarding the District’s recent budgeting trends.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, State voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test (“Test 3”) to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in the State’s per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIIIB).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to school districts and community college districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a “maintenance factor”) equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

Redevelopment Revenues

The District previously received tax offset revenue from the County as a part of certain redevelopment projects within the County (the "Tax Offset Revenues"). The Tax Offset Revenues received are deposited directly into the general fund of the District and offset the State apportionment received by the District. The District also receives pass-through tax increment revenue (the "Pass-Through Revenues") from the successors to the redevelopment agencies formerly within the District's boundaries. The Pass-Through Revenues received by the District are deposited into the District's Capital Outlay Fund, and used for facilities improvements. The Pass-Through Revenues do not offset the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2014-15 through 2022-23, and a budgeted amount for fiscal year 2023-24 are shown in the following table.

TAX OFFSET AND PASS-THROUGH REVENUES
Fiscal Years 2014-15 through 2023-24
Solano Community College District

Fiscal Year	Tax Offset Revenues[(1)]	Pass-Through Revenues[(2)]
2014-15	$1,425,540	$564,715
2015-16	2,685,815	571,278
2016-17	1,624,818	666,225
2017-18	2,187,125	939,228
2018-19	2,346,010	770,011
2019-20	1,462,699	602,938
2020-21	2,195,870	747,856
2021-22[(3)]	2,400,000	500,000
2022-23	2,467,276	904,022
2023-24	2,341,438	987,593

(1) Tax Offset Revenues received offset State apportionments received by the District.
(2) Pass-Through Revenues received do not offset State apportionments received by the District.
(3) Reflects budgeted revenues.
Source: Solano Community College District.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the State Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the DOF that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABX1 26] using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

State Assistance

State community college districts' principal funding formulas and revenue sources are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District, nor the Underwriters take any responsibility as to the accuracy or completeness thereof and has not independently verified such information.

2023-24 State Budget. On June 27, 2023, the Governor signed the State budget for fiscal year 2023-24 (the "2023-24 Budget"). The following information is drawn from the DOF and LAO summaries of the 2023-24 Budget.

The 2023-24 Budget reports that, after two years of growth, the State is projected to face a downturn in revenues driven by a declining stock market, persistently high inflation, rising interest rates and job losses in high-wage sectors. The 2023-24 Budget forecasts that the State will face a $31.7 billion shortfall in fiscal year 2023-24. In its summary of the 2023-24 Budget, the LAO calculates the State's budget shortfall to be lower, at $26.5 billion, and results from the administration including in its calculation the cost of some policies that had not yet been adopted by the State legislature.

To close the budget gap, the 2023-24 Budget includes a series of measures intended to avoid deep reductions to priority programs that marked budgetary shortfalls over the past two decades:

- *Fund Shifts* – $9.3 billion in shifts of spending commitments from the State general fund to other sources.

- *Reductions/Pullbacks* – $8.1 billion in State general fund spending reductions or pullbacks of previously approved spending.

- *Delays* – $7.9 billion in delayed spending across multiple years, without reducing the amount of funding over the same period.

- *Revenue and Internal Borrowing* – $6.1 billion in revenue, primarily from the Managed Care Organization tax, and internal borrowing from special fund balances not projected for programmatic purposes.

- *Trigger Reductions* – $340 million in reductions that will be restored in the proposed State budget for fiscal year 2024-25 if there are sufficient resources to do so.

For fiscal year 2022-23, the 2023-24 Budget projects total general fund revenues and transfers of $205.1 billion and authorizes expenditures of $234.6 billion. The State is projected to end the 2022-23 fiscal year with total reserves of $54.2 billion, including $21.1 billion in the traditional general fund reserve, $22.3 billion in the BSA, $9.9 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. For fiscal year 2023-24, the 2023-24 Budget projects total general fund revenues and transfers of $208.7 billion and authorizes expenditures of $225.9 billion. The State is projected to end the 2023-24 fiscal year with total reserves of $37.8 billion, including $3.8 billion in the traditional general fund reserve, $22.3 billion in the BSA, $10.8 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The 2023-24 Budget indicates that maintaining this level of reserves provides a prudent insurance policy, as the State continues to face revenue risks and uncertainty. Significantly, prolonged storm activity over the winter caused a tax filing delay affecting over 99% of tax filers in 55 of the State's 58 counties. This delay pushed the projected receipt of $42 billion in State tax receipts into October, representing nearly one-fourth of the 2022-23 fiscal year's total projected personal income taxes, and nearly one third of the corporation tax.

The ending balance in the BSA is at the constitutional maximum amount, requiring any amounts in excess thereof to be dedicated to infrastructure improvements. The 2023-24 Budget also includes revised deposits to the PSSSA of $4.8 billion and $1.8 billion attributable to fiscal years 2021-22 and 2022-23, respectively, and authorizes a deposit in fiscal year 2023-24 of $902 million. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

The minimum funding guarantee in fiscal year 2023-24 is set at $108.3 billion, including $77.5 billion from the State general fund. The 2023-24 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2021-22 and 2022-23, setting them at $110.6 billion and $107.4 billion, respectively. Test 1 is projected to be in effect over this three year period. For fiscal year 2023-24, the minimum funding guarantee increases by $952 million (or 0.90%) relative to the revised 2022-23 level, and results from projected increases in property tax revenues that offset declines associated with lower State general fund revenue estimates. To accommodate enrollment increases related to the expansion of transitional kindergarten in school districts, the 2023-24 Budget rebenches the Test 1 percentage, from approximately 38.2% to 38.5%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee

Other significant features relating to community college funding include the following:

- *General Apportionments:* An increase of $678 million in ongoing Proposition 98 funding to provide a 8.22% COLA for apportionments, and an increase of $26.4 million in ongoing Proposition 98 funding to sustain 0.50% enrollment growth. The LAO notes that the 2023-24 Budget uses $290 million in one-time, prior-year Proposition 98 funding to support SCFF costs for fiscal year 2023-24. The LAO notes that this creates a structural gap, in that using one-time funds to cover ongoing costs will create a deficit in the Proposition 98 budget the following year.

- *Categorical Programs*: $112.5 million in ongoing Proposition 98 funding to provide an 8.22% COLA to select categorical programs and the State adult education program.

- *Flexible Block Grant*: The 2023-24 Budget reflects statutory changes to consolidate funding provided in fiscal year 2022-23 for deferred maintenance, retention and enrollment and a COVID-19 response block grant to create a flexible block grant that can be spent on any of these purposes. In addition, the 2023-24 Budget decreases one-time Proposition 98 funding for these programs by approximately $500 million.

- *Nursing Programs*: An increase of $60 million in one-time Proposition 98 funding, for five years starting in fiscal year 2024-25, to expand nursing programs and bachelor of science nursing partnerships to develop, educate and maintain the next generation of registered nurses. The implementation of this program is subject to future legislation.

- *Student Success*: The 2023-24 Budget authorizes a specific award of the Student Success Completion Grant of $5,250 per semester for specified current and former foster youth at community colleges, to cover these students' total cost of attendance. The 2023-24 Budget also reflects a decreased of $50 million in one-time Proposition 98 funding to reflect revised program participation estimates, bringing cumulative support for this program to approximately $362.6 million.

- *Student Housing*: The 2023-24 Budget reduces approximately $1.1 billion in current and planned State general fund support for affordable student housing grants. The 2023-24 Budget also reflects an increase of $78.5 million in ongoing State general fund support for student housing projects.

For additional information regarding the 2023-24 Budget, see the DOF and LAO websites at www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such website is not incorporated herein by any reference.

Future Actions and Events. The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired

SOLANO COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The principal of and interest on the Bonds are payable only from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

Introduction

The College was founded in 1945 as Vallejo Junior College. The District was established in 1967 when it separated from the Vallejo Unified School District. The boundaries of the District are coterminous with those of the County, except for a portion of the Rio Vista area, which is not part of the District, and a portion of Yolo County. The College was constructed in 1972, is located on a 192-acre campus in Fairfield, California, and currently serves approximately 9,000 students per year. The College is currently fully accredited by the ACCJC of the Western Association of Schools and Colleges. The District also operates an Education Center in Vacaville, California, which serves approximately 450 FTES students per semester, and an Education Center in Vallejo, California, which serves approximately 565 FTES students per semester. The District's service area encompasses the communities of Benicia, Dixon, Fairfield, Suisun, Vacaville, Vallejo, and Winters, as well as Travis Air Force Base. For fiscal year 2023-24, the District has an assessed valuation of $68,423,844,706, and has budgeted an FTES count of 6,625.

Administration

The District is governed by the seven-member Board, each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current Trustees, together with their office and the date their term expires, are listed below:

Board Member	Office	Term Expires
Denis Honeychurch, J.D.	President	December 2026
Rosemary Thurston	Vice President	December 2024
Karimah Karah, J.D.	Trustee	December 2026
A. Marie Young	Trustee	December 2026
Quinten R. Voyce	Trustee	December 2024
Amber Cargo-Reed	Trustee	December 2026
Amanda Lopez-Lara	Trustee	December 2024

The Superintendent/President of the District is appointed by the Board and reports to the Board. The Superintendent/President is responsible for management of the District's day-to-day operations and supervises the work of other key administrators.

A brief biography of the Superintendent/President follows:

Dr. Celia Esposito-Noy, Superintendent/President. Dr. Celia Esposito-Noy was appointed Superintendent/President of the District effective January 4, 2016. Prior to joining the District, she was the Vice Chancellor for Educational Services and Student Success for the Chabot-Las Positas Community College District, served as Vice President for Student Services and Enrollment Management at Cosumnes River College in Sacramento, and held academic and student services positions at American River College. Dr. Esposito-Noy has served as president and past president for the California Community College Chief Student Services Administrators Association and is currently a member of the California Community College Athletic Association Board. Dr. Esposito-Noy holds an Ed.D. in Educational Leadership from Mills College, a Master's of Arts in Education from Stanford University, and a B.A. from San Francisco State University.

Susan Wheet, Vice President, Finance and Administration. Susan Wheet started her position as Vice President of Finance & Administration of the District in September 2021. Prior to joining the District, she served as Chief Business Officer for John Swett Unified School District in Rodeo, California and as the Fiscal Accounting Manager at Manteca Unified School District in Manteca, California. Mrs. Wheet is currently the president of both the Northern California Community Colleges Self-Insurance Authority and the Retiree Health Benefit Program Joint Powers Agency. Mrs. Wheet holds a Master of Business Administration from Keller Graduate School of Management and a Bachelor of Science in Business Management from the University of Phoenix. She is currently working on her Doctorate in Educational Leadership from Capella University.

Labor Relations

The District currently employs 141 full-time certificated professionals, 159 full-time classified employees and 30 managers. In addition, the District employs 203 part-time faculty and staff. These employees, except management, confidential, and some part-time employees, are represented by the three bargaining units noted below.

LABOR RELATIONS ORGANIZATIONS
Solano Community College District

Labor Organization	Number of Employees in Organization	Contract Expiration Date
California Teachers Association	328	June 30, 2026
California School Employees Association	96	June 30, 2026
Operating Engineers	47	June 30, 2024

Source: Solano Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriters.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the California State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. Previously, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program increased significantly prior to the implementation of AB 1469 (defined below). In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members ("PEPRA Members") hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees ("Classic Members") hired before the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2023, the contribution rate will be 10.250% for Classic Members and 10.205% for PEPRA Members.

Pursuant to AB 1469, K-14 school districts' contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of $1.117 billion to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State's 2020-21 Budget redirected $2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and 16.92% in fiscal year 2021-22. The employer contribution rate was 19.1% in fiscal year 2022-23 and is 19.1% in fiscal year 2023-24.

The District's contributions to STRS were $3,082,822 in fiscal year 2018-19, $3,203,865 in fiscal year 2019-20, $2,986,309 in fiscal year 2020-21, $6,310,065 in fiscal year 2021-22, and $5,435,656 (unaudited) in fiscal year 2022-23. The District has budgeted $5,290,479 for its contribution to STRS in fiscal year 2023-24.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2023-24. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. However, the maximum increase or decrease in a given year is limited to 0.5% of payroll under the STRS valuation policy. Once the State has eliminated its share of the STRS' unfunded actuarial obligation, the State contribution will be immediately reduced to the base contribution rate of 2.017% of payroll.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the California Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2022 included 1,601 public agencies and 1,335 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated $904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, $144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, $430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and $330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. The employer contribution rate was 25.37% in fiscal year 2022-23 and is 26.68% in fiscal year 2023-24. Classic Members contribute at a rate established by statute, which is 7% in fiscal year 2023-24, while PEPRA Members contribute at an actuarially determined rate, which was 8% in fiscal year 2023-24. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were $2,108,935 in fiscal year 2018-19, $2,313,629 in fiscal year 2019-20, $2,308,736 in fiscal year 2020-21, $3,029,049 in fiscal year 2021-22, and $3,157,054 (unaudited) in fiscal year 2022-23. The District has budgeted $3,072,734.47 for its contribution to PERS in fiscal year 2023-24.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

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FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) (1)
Fiscal Years 2012-13 through 2021-22

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)(2)	Unfunded Liability (MVA)(2)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2012-13	$222,281	$157,176	$74,374	$148,614	$73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875
2020-21	332,082	292,980	60,136	242,363	89,719
2021-22	346,089	283,340	85,803	257,537	88,552

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2012-13	$61,487	$49,482	$12,005	$56,250	$5,237
2013-14	65,600	56,838	8,761	--(4)	--(4)
2014-15	73,325	56,814	16,511	--(4)	--(4)
2015-16	77,544	55,785	21,759	--(4)	--(4)
2016-17	84,416	60,865	23,551	--(4)	--(4)
2017-18	92,071	64,846	27,225	--(4)	--(4)
2018-19(5)	99,528	68,177	31,351	--(4)	--(4)
2019-20(6)	104,062	71,400	32,662	--(4)	--(4)
2020-21	110,507	86,519	23,988	--(4)	--(4)
2021-22	116,982	79,386	37,596	--(4)	--(4)

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) For the fiscal year 2020-21 actuarially determined contribution, the additional $430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.
(6) For the fiscal year 2021-22 actuarially required contribution, the impact of the additional $330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the “2017 Experience Analysis”), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member’s increasing life expectancies and current economic trends. These new assumptions were first reflected in the

STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 STRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Analysis, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both Classic Members and PEPRA Members to better reflect the anticipated impact of years of service on retirements. The 2022 STRS Actuarial Valuation (defined below) continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2020 (the "2020 STRS Actuarial Valuation"), reports that the unfunded actuarial obligation increased by $172 million since the 2019 STRS Actuarial Valuation and the funded ratio increased by 1.1% to 67.1% over such time period. The increase in the funded ratio is primarily due to salary increases less than assumed, additional State contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2022 (the "2022 STRS Actuarial Valuation") reports that, based on an actuarial value of assets, the unfunded actuarial obligation decreased by approximately $1.17 billion since the 2021 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 74.4% over such time period, despite a negative investment return in 2021-22. The main reason for the increase in the funded ratio was the recognition of the deferred investment gains from prior years, primarily an investment gain of 27.2% in 2020-21, which has been partially offset by the impact of the less-than-assumed investment return for the most recently completed fiscal year (2021-22). For actuarial purposes, the STRS Board has approved the use of an actuarial value of assets, which smooths the volatility of investment returns by reflecting only one-third of the net accumulated investment gains or losses in a year. The investment gains that were set aside in the 2021 STRS Actuarial Valuation were more than sufficient to cover the full impact of the negative investment return in 2021-22. Another reason for the improved funding levels and decrease in unfunded actuarial obligation were the additional supplemental payments made by the State in 2021-22 ($584 million in 2021-22 above what was required by the contribution rate adopted by the STRS Board). Using the Fair Market Value of Assets, the funded ratio has decreased by 6.7% since 2021 Actuarial Valuation from 81.9% to 75.2%, primarily due to the actual market returns for the 2021-22 fiscal year being less than the assumed investment return of 7%. The STRS Board has no authority to adjust rates to pay down the portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990 (the "Unallocated UAO"). There was a decrease in the surplus (a negative unfunded actuarial obligation) for the Unallocated UAO from $469 million as of June 30, 2021 to $359 million as of June 30, 2022.

According to the 2022 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 100.3%. This finding assumes adjustments to contribution rates in line with the funding plan and STRS Board policies, the future recognition of the currently deferred asset gains, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In its Annual Comprehensive Financial Report for fiscal year ending June 30, 2022, STRS reported a money weighted net return on investment of negative 2.4% and time-weighted net return on investments of negative 1.3% for fiscal year 2021-22, ending with the total fund value of $301.6 billion as of June 30, 2022. When STRS released the preliminary investment return for fiscal year 2021-22 on July 29, 2022, STRS noted that it is the first negative return since 2009, reflecting the ongoing volatility in the global financial markets impacted by inflation, rising interest rates, COVID-19 and the war in Ukraine. Due in part to the 27.2% return in fiscal year 2020-21, STRS projected in the Annual Comprehensive Financial Report that it remains in position to be fully funded by 2046.

On November 2, 2022, STRS released is 2022 Review of Funding Levels and Risks (the STRS 2022 Review of Funding Levels and Risks"), which is based on the 2021 STRS Actuarial Valuation and reflects all relevant changes that have occurred since 2021 STRS Actuarial Valuation, including the negative 2.4% money-weighted investment loss reported for the 2021-22 fiscal year. The key results and findings noted in the STRS 2022 Review of Funding Levels and Risks were that (i) the State's share of the STRS unfunded actuarial obligation is still projected to be eliminated prior to 2046 (currently projected to be eliminated by fiscal year 2029-30), but not as early as projected in the June 30, 2021 valuation, (ii) the current contribution rates for the State and employers are projected to be sufficient to eliminate their share of the STRS unfunded actuarial obligation by 2046 and contribution rate increases are not expected to be needed for fiscal year 2023-24, (iii) the largest risk facing STRS' ability to reach full funding remains investment-related risk, especially considering the Defined Benefit Program continues to mature, which will increase the system's sensitivity to investment experience, and the State's share of the unfunded actuarial obligation could quickly increase if STRS were to experience another year in which the investment return is significantly below the assumed rate of return, (iv) anticipated continued decreases in enrollment in K-12 public schools could lead to future declines in the size of the active membership, resulting in lower than anticipated payroll growth, which could negatively impact STRS' ability to achieve full funding, requiring contribution rate increases, especially among employers, (v) a recession resulting in a period of low investment returns and a decline in the size of the active membership could hurt STRS ability to reach full funding, and (vi) the ability of the funding plan to allow STRS to reach full funding is dependent on STRS meeting its current actuarial assumptions over the long term, while uncertainty around inflation, investment markets and payroll growth could put pressure on STRS' ability to meet some of its long-term actuarial assumptions. In addition, with respect to investment related risks, the STRS 2022 Review of Funding Levels and Risks notes that once the State's supplemental contribution rate is reduced to zero (as discussed above), if it were ever needed to be increased again, the STRS Board will be limited to increases of only 0.5% of payroll each year, which could take the STRS Board years before it is able to increase the rate to the levels necessary to reduce any newly realized unfunded actuarial obligation.

Between 2019 and 2020, the number of teachers actively working dropped from 451,000, to about 448,000. Between 2020 and 2021, the number of active teachers continued to drop to about 429,000, which resulted in a payroll that remained flat, below the 3.5% annual payroll growth assumption. In 2022, the total number of active members was back to the levels last seen prior to the start of the COVID-19 pandemic, increasing by approximately 20,000 over the last fiscal year. The total payroll increased by more than 6% over the last fiscal year, resulting in STRS collecting more contributions from employers than expected. The STRS 2022 Review of Funding Levels and Risks notes that, a likely contributor to the decline in active membership in 2020-21 was the higher than expected retirements STRS experienced that fiscal year and the uncertainties related to the COVID-19 pandemic. Although an increase in retirements would normally not impact long-term funding, decisions made by employers about whether to replace the teachers who have retired can impact STRS ability to reach full funding by 2046, especially if it leads to an overall reduction in the number of teachers working in the State and a reduction in total payroll. The STRS 2022 Review of Funding Levels and Risks, also notes that another area of particular concern related to payroll growth and the number of teachers in the State is the decreasing population of children enrolled in K-12 schools in the State. Total enrollment in public schools in the State dropped 271,000, or 4.4% reduction, between 2019-20 and 2021-22. Several factors contributed to the drop of enrollment during that time period, including the increase in the number of homeschool students and students enrolled in private schools during the COVID-19 pandemic. The STRS 2022 Review of Funding Levels and Risks notes that it is unclear whether the decrease in overall enrollment is permanent or simply a temporary effect of the COVID-19 pandemic. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein. In September 2022, the State updated its projection of K-12 enrollment for the State, which assumes the number of children enrolled in K-12 schools will decline approximately 9% over the next 10 years.

On July 27, 2023, STRS reported a net return on investments of 6.3% for fiscal year 2022-23, ending with the total fund value of $315.6 billion as of June 30, 2023. The 2022-23 return keeps STRS on track long term, as the 3-,5-,10-, 20-, and 30-year returns, including the 10.1% 3-year return, all surpass the actuarial assumption of 7.0%, despite inflation, rising interest rates and global uncertainty. Due in part to the 27.2% return in fiscal year 2020-21, STRS remains in position to be fully funded by 2046.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17, 2021 (the "2021 Experience Study"), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iv) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and will first impact contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations.

On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund's investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation takes effect July 1, 2022 and will impact contribution rates for employers and PEPRA employees beginning in fiscal year 2022-23.

In November 2022, PERS released its 2022 Annual Review of Funding Levels and Risk (the "2022 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The results presented in the 2022 PERS Funding Levels and Risk Report are based on the June 30, 2021 annual valuations, which have been projected forward to June 30, 2022 based on preliminary investment performance for the year ending June 30, 2022. The unfavorable investment returns during the year ending June 30, 2022 resulted in decreases to the funded ratios for PERS plans. The funded status of the Schools Pool decreased from 78.3% as of June 30, 2021 to a projected 69% as of June 30, 2022. The 2022 PERS Funding Levels and Risk Report notes that the pandemic has potential to alter the experience of the retirement in several different areas, including investment returns, inflation, deaths, retirements, terminations, disability retirements, and pay increases. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein. The 2022 PERS Funding Levels and Risk Report notes that over the next several years, inflation and near-term economic decline, also have the potential to either increase required contributions or add additional financial strain on employers and their ability to make required contributions. PERS and its members are potentially impacted by high inflation because wages generally keep pace with inflation over the long-term, many retirees are likely to receive higher cost-of-living adjustments but will likely still lose purchasing power, and increases in wages exceeding the assumed increases and higher COLAs result in higher contributions for employers. In addition, many forecasters are predicting an economic slowdown in the near future, which could lead to lower investment returns, increased investment volatility, and higher unemployment. If the system experiences lower than expected investment returns, the potential impact on required contributions, combined with the impacts of high inflation, could push contribution rates to levels that would prove challenging for some employers.

The Schools Pool Actuarial Valuation as of June 30, 2022 (the "2022 PERS Actuarial Valuation"), reported that from June 30, 2021 to June 30, 2022 the funded ratio of the Schools Pool decreased by 10.4% (from 78.3% to 67.9%), which was primarily due to investment return in 2021-22 being lower than expected. The investment return for the year ending June 30, 2022 was approximately -6.1% reduced for administrative expenses, lower than the assumed return of 6.8%, leading to an investment experience loss. This loss will be amortized over 20 years with a five-year ramp (phase-in). When PERS released the preliminary investment returns for fiscal year 2021-22 on July 20, 2022, PERS noted that volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all had an impact on the investment return. Non-investment experience produced a net loss of approximately $1.6 billion, driven by annuitant cost-of-living adjustments greater than assumed and salary increases greater than assumed. These experience losses generated new unfunded liability, increasing the unfunded liability component of the required employer contribution rate for the next 20 years in accordance with the actuarial amortization policy. The 2022 PERS Actuarial Valuation reports that the contribution rate for fiscal year 2024-25 is projected to be 27.8%, the contribution rate for fiscal year 2025-26 is projected to be 28.5%, the contribution rate for fiscal year 2026-27 is projected to be 28.9%, the contribution rate for fiscal year 2027-28 is projected to be 30.3%, and the contribution rate for fiscal year 2028-29 is projected to be 30.1%. The projected contribution rates in the 2022 PERS Actuarial Valuation reflect an investment loss for fiscal year 2022-23 based on preliminary investment return information released by the PERS Investment Office. Further, projected rates reflect the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits or funding will occur during the projection period. Future contribution requirements may differ significantly. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund. The PERS actuary noted in the 2022 PERS Actuarial Valuation that, during the period between the valuation date and the publication of the 2022 PERS Actuarial Valuation, inflation has been higher than the expected inflation rate of 2.3% per annum. Since Inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2023 valuation.

On July 19, 2023, PERS reported a preliminary net return on investment of 5.8% for fiscal year 2022-23. When factoring in PERS' discount rate of 6.8% — comparable to an assumed annual rate of return – and the 2022-23 preliminary return of 5.8%, the estimated funded status now stands at 72%. As of June 30, 2023, assets were valued at $462.8 billion. The final investment return for fiscal year 2022-23 will be calculated based on audited figures and will be reflected in contribution levels for the State and school district employers in fiscal year 2024-25.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform

Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPRA Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

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

For fiscal year ending June 30, 2022, the District's proportionate share of the net STRS pension liability was $14,562,560, and the District's proportionate share of the net PERS pension liability was $15,799,854. For information regarding the District's reported net long-term obligations as of June 30, 2022, reflecting its proportionate shares of the STRS and PERS pension liabilities, see "APPENDIX A – THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 14" attached hereto.

Designated Reserve. On September 18, 2019, the Board established a Board Designated Reserve Fund (the "Board Designated Reserve") to address the required increase of the District's employer contribution rates for STRS and PERS and made an initial deposit of $4,525,000 into such fund during fiscal year 2019-20. The District has not made additional deposits into the Board Designated reserve and has not budgeted for a deposit in fiscal year 2023-24. The Board Designate Reserve has not been irrevocably pledged to the payment of the District expenses related to STRS and PERS, and may be accessed for other purposes only upon Board action.

Tax Deferred Annuity. As established by federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by Social Security or an alternative plan. The District has elected to use STRS cash balance program as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 4% of each eligible employee's gross earnings and each eligible employee is required to contribute 4% of his or her gross earnings to this pension plan.

Deferred Compensation. The District offers its employees a PERS-administered 457 Deferred Compensation Program (the "Program"). The Program, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The PERS Board controls the investment and administrative functions of the PERS 457 Deferred Compensation Program. The Board, for the exclusive benefit of participating employees, holds the assets in trust.

Medicare Premium Payment Program

The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan Defined Benefit Program ("DB Program") who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study, with measurement date of June 30, 2022, and a valuation date of June 30, 2021, has been prepared pursuant to GASB 74 and 75 with respect to the liability of the MPP Program. At June 30, 2022, the District reported a liability of $7,673,982 for its proportionate share of the net OPEB liability for the MPP Program. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions relative to the projected contributions of all participating school districts, actuarially determined. The 2022-23 Actuarial Study is currently in process. For additional information, see "APPENDIX A – THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 6" attached hereto.

Other Post-Employment Benefits

Plan Description. The District currently provides postemployment health care benefits for eligible retired employees and their spouses through its post-employment health care plan (the "Plan"). 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. Membership of the Plan, as of the last actuarial study, consists of 104 retirees and beneficiaries currently receiving benefits, and 296 active employee Plan members.

Requirements	Certificated	Certificated Management	Classified Management	Classified
Initial hire date on or before	March 31, 1986	August 31, 1984	August 31, 1984	December 31, 1984
District service in an eligible position	Fifteen years	Fifteen years	Fifteen years	Fifteen years
Minimum age at retirement	Fifty five years	Fifty five years	Fifty years	Fifty years
Eligible for STRS	Yes	No	Yes	No

Funding Policy. The contribution requirements of the Plan members and the District are established and amended by the District and its bargaining units. The District's contribution is currently based on a projected pay-as-you-go basis to cover the cost of benefits for current retirees, with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2018-19, the District contributed $1,460,485 to the Plan, of which was $1,140,485 was used for current premiums and $320,000 was contributed to the Trust. For fiscal year 2019-20, the District contributed $1,131,324 to the Plan, all of which was used for current premiums. For fiscal year 2020-21, the District contributed $1,026,239 to the Plan, all of which was used for current premiums. For fiscal year 2021-22, the District contributed $1,036,874 to the Plan, all of which was used for current premiums. For fiscal year 2022-23, the District contributed $1,063,776 to the Plan, all of which was used for current premiums. For fiscal year 2023-24, the District has budgeted a contribution of $1,035,364 to the Plan, all of which is expected to be used for current premiums.

On January 2, 2005, the District established an irrevocable trust (the "Trust") with California Community College League Retiree Health Benefit Program to begin funding the District's liability with respect to the Plan benefits. As of June 30, 2023, the value of assets in the Trust was $6,030,623.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved *GASB Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *GASB Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, in which contributions are irrevocable, trust assets are dedicated to providing other post–employment benefits to plan members and trust assets are legally protected from creditors. GASB 74 and GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (the "NOL"), to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on Total OPEB Liability (the "TOL") plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net

OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the TOL, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (the "FNP") is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The FNP measures the value of trust assets, adjusted for payees and receivables.

GASB 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. See "APPENDIX A – THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

Actuarial Study. The District has implemented GASB 74 and GASB 75, pursuant to which the District has commissioned and received several actuarial studies of its liability with respect to the Benefits. GASB 74 and GASB 75 (discussed above) require biennial actuarial valuations for all plans. The most recent actuarial study calculated the District's accrued liability in accordance with GASB 74 and GASB 75. The study concluded that, as of a June 30, 2021 valuation date and a June 30, 2022 measurement date, the District's TOL was $12,598,250, its FNP was $4,924,268, and its NOL was $7,673,982.

Risk Management

The District participates in two joint powers agreements ("JPA") entities: Northern Community Colleges Self Insurance Authority ("NCCCP") and the Schools Association for Excess Risk ("SAFER") for 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.

Joint Powers Authority Risk Pools. The District contracts 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 million to $50 million. 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 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.

Workers' Compensation. The District participates in the Northern Community Colleges Self Insurance Authority Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA 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.

Employee Medical and Dental Benefits. The District contracts with Kaiser, Blue Shield, and Healthnet to provide employee medical benefits. Rates are set through an annual calculation process. The District pays a monthly premium based on plan membership. In addition, the District is a member of the North Bay Schools Insurance Authority for dental insurance and the employee assistance plan.

Coverage Limits. Information with respect to the coverage limits for the District's insurance policies follows:

Insurance Program/Company Name	Type of Coverage	Limits
Northern Community Colleges Self Insurance Authority	Workers' Compensation	$1,000,000
Northern Community Colleges Self Insurance Authority	Property	$5,000,000
SAFER	Excess Liability	$5,000,000 - $50,000,000
Northern Community Colleges Self Insurance Authority	Property	$250,250,000

See also "APPENDIX A – THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

Cybersecurity

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District carries cybersecurity insurance.

No assurance can be given that the District's efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the Paying Agent, the County or the Dissemination Agent in connection with compliance by the District with its continuing disclosure undertakings. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners of the Bonds, e.g., systems related to the timeliness of payments on the Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Certificate.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Education Code Section 84030, is to be followed by all State community college districts. GASB Statement No. 34 makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective on May 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between $10 million and $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

General Fund Budgeting

The District's general fund is its largest source of support for District operations. General fund income and appropriations are allocated between unrestricted and restricted programs.

The table on the following page shows the District's combined restricted and unrestricted general fund budgets for fiscal years 2019-20 through 2023-24 and the ending results for fiscal years 2019-20 through 2022-23. For further information, see also "APPENDIX A – THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

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GENERAL FUND BUDGETING
Fiscal Years 2019-20 through 2023-24
Solano Community College District

	Fiscal Year 2019-20[1]		Fiscal Year 2020-21[1]		Fiscal Year 2021-22[1]		Fiscal Year 2022-23[1]		Fiscal Year 2023-24[1]
REVENUES:	**Budgeted**	**Ending**	**Budgeted**	**Ending**	**Budgeted**	**Ending**	**Budgeted**	**Ending**	**Budgeted**
Federal Revenues	$1,281,459	$564,575	$1,030,013	$4,335,545	$11,848,287	$3,053,641	$7,792,440	$2,182,907	$321,735
State Revenues	39,601,664	39,209,486	38,955,723	46,516,945	50,681,148	42,254,937	35,001,644	51,487,086	85,258,012
Local Revenues	24,643,816	25,776,941	25,880,984	24,511,655	26,581,394	26,904,066	34,935,004	28,425,190	28,125,517
Total Revenues	65,526,939	65,551,002	65,866,720	75,364,145	89,110,829[2]	72,212,644	77,729,088	82,095,183	113,705,264
EXPENDITURES:									
Academic Salaries	23,545,489	22,863,909	23,628,725	22,018,820	23,848,766	22,870,113	25,046,926	23,921,390	25,604,998
Classified Salaries	12,253,022	12,361,472	12,937,660	10,908,335	12,570,252	11,854,486	13,291,878	13,787,265	13,315,224
Employee Benefits	14,594,949	16,829,305	15,047,996	17,081,283	16,712,884	17,028,615	16,109,716	18,448,896	16,893,937
Supplies and Materials	1,676,561	1,162,471	1,922,469	912,617	3,126,870	1,001,099	5,406,569	1,372,777	1,115,929
Other Operating Expenses and Services	10,812,360	8,141,519	15,048,195	7,495,979	27,932,694	10,159,239	12,880,868	13,145,249	10,163,330
Capital Outlay	2,493,870	1,132,546	2,537,214	2,472,136	2,059,299	2,053,523	5,340,286	1,362,623	392,970
Total Expenditures	65,376,251	62,491,222	71,122,259	60,889,170	86,250,765	64,967,075	78,076,243	72,038,200	67,486,388
Excess /(Deficiency) of Revenues over Expenditures	150,688	3,059,780	(5,255,539)	14,474,975	2,860,064	7,245,569	(347,155)	10,056,983	46,218,876
Other Financing Sources	--	--	--	(501,449)	--	(1,002,935)	--	--	--
Contingency Appropriation	--	--	--	--	--		--	--	--
Other Outgo	(683,464)	(1,299,338)	(5,322,200)[6]	(3,743,434)[6]	(1,883,278)[6]	(2,754,723)	(1,547,813)	(4,879,430)	(340,000)
Net Increase/ (Decrease) in Fund Balance	(532,776)	1,760,442	(10,577,739)	11,232,990	976,786	5,493,781	(1,894,968)	5,177,553	45,878,876
Beginning Fund Balance:	13,349,014[3]	13,349,014	20,177,830	20,177,830	30,312,251	30,312,251	35,806,032	35,806,032	40,983,591
Prior Years Adjustments	--	5,068,374[4]	--	(1,098,569)	--	--	--	--	--
Adjusted Beginning Balance	--	18,417,388[5]	--	19,079,261	--	--	--	35,806,032	--
Ending Fund Balance, June 30	$12,816,238	$20,177,830	$9,600,091	$30,312,251	$31,289,037	$35,806,032	$33,911,064	$40,983,585	$86,862,467

(1) Budgeted results for fiscal years 2019-20 through 2023-24 and ending results for fiscal years 2019-20 through 2022-23 from the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. For audited statements of total revenues, expenditures and changes in fund balances for the District's governmental funds for fiscal years 2017-18 through 2021-22, see "– Comparative Financial Statements" herein.

(2) For fiscal year 2021-22, the District has budgeted receipt of: substantially increased federal revenues due, in large part, to Federal CARES funding; substantially increased State revenues due, in large part, to one-time-only funds that were passed through to the District from the State portion of CARES funding; and decreased local funding due to the COVID-19 pandemic.

(3) Does not include the transfer of approximately $4,525,000 made in fiscal year 2019-20 to a Board-designated reserve for STRS and PERS costs. The fund balance does include $4 million in a Board designated reserve for OPEB.

(4) The prior year adjustment reflects corrections made to the general fund balance due to accounting errors identified through a review of the past 10 years of all District funds, including the general fund.

(5) Material adjustments and reconciliations were made by the District's auditor in the fiscal year 2019-20 Audit Report in order to conform to BAM and GAAP, including findings that (i) a detailed capital assets depreciation schedule was not maintained for buildings and improvements and should have been, (ii) long term payables for vacation liabilities and accrued interest on bonds were accrued in the modified accrual CCFS-311 annual report and the fund level trial balance, but should have been included in conversion entries only on the full accrual entity wide financial statements, and (iii) program revenues, expenditures, and related balances were not properly reconciled at the end of the fiscal year in the state categorical schedule. The auditors noted that the findings were repeated from the 2018-19 Audit Report, but reduced, indicating progress from the prior year.

(6) Increased other outgo in fiscal years 2020-21 and 2021-22 represent increased student aid, funded largely by CARES/HEERF funding.

Source: Solano Community College District.

Comparative Financial Statements

Pursuant to applicable guidance from GASB, the District's financial statements present a comprehensive, entity-wide perspective of the District's assets, liabilities, and cash flows rather than the fund-group perspective previously required. The table on the following page displays the District's revenues, expenses and changes in net position for its primary governmental funds for fiscal years 2017-18 through 2021-22. See also "APPENDIX A – THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

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SUMMARY OF AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET POSITION[1]
Fiscal Years 2017-18 through 2021-22
Solano Community College District

	2017-18	2018-19	2019-20	2020-21	2021-22
OPERATING REVENUES					
Student Tuition and fees	$8,675,755	$8,354,887	$6,378,081	$8,021,035	$7,967,252
Less: Scholarship discount and allowance	(4,510,030)	(4,158,032)	(3,818,807)	(4,141,868)	(3,544,874)
Net tuition and fees	4,165,725	4,196,855	2,559,274	3,879,167	4,422,378
Grants and Contracts, Noncapital					
Federal	1,530,248	1,277,980	739,423	59,272	1,162,988
State	16,285,638	11,343,955	11,355,281	13,306,324	13,119,954
Local	--	--	--	69,659	317,516
Sales and Commissions	--	--	--	28,991	14,734
Net Grants and Contracts, Noncapital	17,815,886	12,621,935	12,094,704	13,464,246	14,615,192
TOTAL OPERATING REVENUES	21,981,611	16,818,790	14,653,978	17,343,413	19,037,570
OPERATING EXPENSES					
Salaries	37,744,011	36,131,833	36,474,127	34,024,147	35,561,926
Employee benefits	13,963,752	16,716,018	21,827,834	18,647,299	12,287,939
Supplies, materials and other operating expenses	22,508,804	30,203,757	17,214,515	5,096,446	20,235,586
Financial aid	--	--	--	14,360,320	18,563,941
Equipment, maintenance, and repairs or utilities	19,067,542	27,976,117	4,217,881	1,960,786	2,303,059
Depreciation	8,681,550	8,830,004	8,725,822	26,900,611	3,702,761
TOTAL OPERATING EXPENSES	101,965,659	119,857,729	88,460,179	100,989,609	92,655,212
OPERATING LOSS	(79,984,048)	(103,038,939)	(73,806,201)	(83,646,196)	(73,617,642)
NON-OPERATING REVENUES (EXPENSES)					
State apportionments, noncapital	25,623,974	26,821,625	27,515,574	32,106,670	29,312,339
Local property taxes, levied for general purposes	15,921,271	16,639,125	16,391,504	20,799,221	22,759,597
Taxes levied for other specific purposes	13,003,234	20,538,641	18,176,280	--	--
Federal grants	8,471,313	7,408,220	8,014,746	14,503,191	18,105,059
State grants	532,535	640,461	858,073	--	--
Local grants and other revenues	4,828,861	9,577,995	4,531,594	--	--
State taxes and other revenues	1,555,988	2,254,818	1,277,704	3,003,673	2,031,252
Investment income	334,922	1,677,603	1,226,818	585,578	426,768
Interest expense on capital related debt	(12,668,676)	(12,419,151)	(16,197,681)	--	--
Investment income on capital asset-related debt, net	170,450	288,796	198,115	--	--
Other nonoperating revenue	3,455	(37,445)	--	1,111	2,193
TOTAL NON-OPERATING REVENUES (EXPENSES)	57,777,327	73,390,688	61,992,727	70,999,444	72,637,208
INCOME/LOSS BEFORE OTHER REVENUES AND EXPENSES	(22,206,721)	(29,648,251)	(11,813,474)	(12,646,752)	(980,434)
State revenues, capital	2,464,253	3,319,982	945,460	--	401,564
Local revenues, capital	1,320,657	39,036	58,072	19,147,149	21,633,886
Interest and Investment income, capital	--	--	--	15,323,427	157,741
Interest paid on capital related debt	--	--	--	(12,134,941)	(7,641,087)
TOTAL INCOME BEFORE OTHER REVENUES AND EXPENSES	3,784,910	3,359,018	1,003,532	23,987,955	14,552,104
CHANGE IN NET POSITION	(18,421,811)	(26,289,233)	(10,809,942)	11,341,203	13,571,670
NET POSITION, BEGINNING OF YEAR	44,239,243	25,817,432	(471,801)	(11,281,743)	11,759,229
Cumulative effect of change on Accounting principles	--	--	--	4,621,445[2]	--
Prior Period Restatement	--	--	--	7,078,324[3]	(137,718,199)[4]
NET POSITION, END OF YEAR	$25,817,432	$(471,801)	$(11,281,743)	$11,759,229	$(112,387,300)

(1) From the District's audited financial statements for fiscal years 2017-18 through 2021-22.

(2) The beginning net position of the financial statements has been restated by an increase of $4,621,445 in the governmental funds to recognize the beginning net position of Fiduciary Activities as Business-Type Activities resulting from the implementation of GASB 84.

(3) The beginning net position of the financial statements has been restated by an increase of $7,078,324 in the governmental funds for errors in the recognition of unearned revenue for several grants, caused by a result of unbalanced journal entries which occurred 6-8 years prior.

(4) The District has completed a physical inventory of the equipment, prepared a historical listing of capital assets purchased and donated, and recalculated the accumulated depreciation. The beginning net position of the basic financial statements has been restated by $137,718,199.

Source: Solano Community College District.

District Debt Structure

Short-Term Debt. The District currently has no short-term debt obligations.

Long-Term Debt. A schedule of changes in long-term debt for the fiscal year ended June 30, 2022 is shown below:

SCHEDULE OF LONG-TERM DEBT
As of June 30, 2022
Solano Community College District

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
General obligation bonds, accreted interest and bond premiums	$324,013,733	$33,957,116	$13,870,867	$344,099,982
Compensated absences	1,491,986	--	66,440	1,425,546
Leases Payable	1,482,101	--	117,074	1,365,027
OPEB aggregate net	6,946,994	--	1,522,303	5,424,691
Aggregate net pension liability	57,385,556	1,967,503	--	59,353,059
Total Long-Term Liabilities	$391,320,370	$35,924,619	$15,576,684	$411,668,305

Source: Solano Community College District.

General Obligation Bonds. The District received authorization at an election held on November 5, 2002 (the "2002 Authorization"), at which the requisite vote of least fifty-five percent of the persons voting on the proposition voted to authorize the issuance of $124,500,000 aggregate principal amount of general obligation bonds of the District. On June 18, 2003, the District issued its General Obligation Bonds, Election of 2002, Series 2003A in the aggregate principal amount of $80,000,000 (the "Series 2003A Bonds"). On September 12, 2006, the District issued its General Obligation Bonds, Election of 2002, Series 2006B in the aggregate principal amount of $44,495,279.20 (the "Series 2006B Bonds"). On March 8, 2005, the District issued its 2005 General Obligation Refunding Bonds in the aggregate principal amount of $81,349,811.70 (the "2005 Refunding Bonds"), the proceeds of which were used to advance refund a portion of the Series 2003A Bonds. On April 8, 2014, the District issued its 2014 General Obligation Refunding Bonds Series A (Federally Tax-Exempt) in the aggregate principal amount of $10,645,000 (the "2014 Refunding Bonds, Series A), the proceeds of which were used to advance refund a portion of the Series 2006B Bonds. Concurrently with the issuance of the 2014 Refunding Bonds, Series A, the District issued its 2014 General Obligation Refunding Bonds Series B (Federally Taxable) in the aggregate principal amount of $41,165,000 (the "2014 Refunding Bonds, Series B"), the proceeds of which were used to advance refund a portion of the 2005 Refunding Bonds. On October 6, 2015, the District issued its 2015 General Obligation Refunding Bonds ("2015 Refunding Bonds") in the aggregate principal amount of $47,677,452.55, the proceeds of which were used to advance refund a portion of the District's Series 2006B Bonds.

The District received authorization at an election held on November 6, 2012 (the "2012 Authorization"), at which the requisite vote of least fifty-five percent of the persons voting on the proposition voted to authorize the issuance of $348,000,000 aggregate principal amount of general obligation bonds of the District. On June 18, 2013, the District issued $89,996,899.15 of its 2012 General Obligation Bonds, Series A (the "2012 Series A Bonds") and $30,000,000 of its Election of 2012 General Obligation Bonds, Series B (Federally Taxable) (the "2012 Series B Bonds"). On April 26, 2017, the District issued $90,000,000 of its 2012 General Obligation Bonds, Series C (the "2012 Series C Bonds"). On November 27, 2019, the District issued its 2019 General Obligation Refunding Bonds Series A (Federally Taxable) in the aggregate principal amount of $112,650,000 (the "2019 Refunding Bonds), the proceeds of which were used to advance refund a portion of the 2012 Series A Bonds and the 2012 Series B Bonds. On November 17, 2020, the District issued $30,000,000 of its Election of 2012 General Obligation

Bonds, Series D (the "2012 Series D Bonds"). On October 6, 2021, the District issued (i) $50,000,000 of its Election of 2012 General Obligation Bonds, Series E (Tax-Exempt) (the "2012 Series E Bonds"), (ii) 2021 General Obligation Refunding Bonds, Series A (Federally Taxable) (the "2021 Series A Refunding Bonds"), the proceeds of which were used to advance refund certain of the 2012 Series C Bonds, (iii) 2021 General Obligation Refunding Bonds, Series B (2025 Crossover) (Federally Taxable) (the "2021 Series B Crossover Refunding Bonds"), the proceeds of which were used to advance refund, on a crossover basis, certain of the 2015 Refunding Bonds, and (iv) the 2021 General Obligation Refunding Bonds, Series C (2028 Crossover) (Federally Taxable) (the "2021 Series C Crossover Refunding Bonds"), the proceeds of which were used to advance refund, on a crossover basis, certain of the 2012 Series A Bonds.

The Bonds represent the sixth series of bonds issued pursuant to the 2012 Authorization. Following the issuance of the Bonds, $28,003,100.85 of the 2012 Authorization will remain authorized and unissued.

The following tables show the total annual debt service with respect to the District's outstanding general obligation bonded debt by authorization, including the Bonds (and assuming no optional redemptions):

GENERAL OBLIGATION BONDED DEBT SERVICE – 2002 AUTHORIZATION
Solano Community College District

Year Ending August 1	2015 Refunding Bonds(1)	2021 Series B Refunding Bonds(2)	2002 Authorization Total Annual Debt Service
2024	$9,177,000.00	$751,416.80	$9,928,416.80
2025	9,218,500.00	751,416.80	9,969,916.80
2026	9,252,500.00	8,631,416.80	17,883,916.80
2027	9,298,500.00	8,670,646.80	17,969,146.80
2028	9,335,000.00	8,706,726.80	18,041,726.80
2029	9,376,500.00	8,746,336.20	18,122,836.20
2030	9,416,750.00	8,780,133.20	18,196,883.20
2031	9,444,750.00	8,810,976.50	18,255,726.50
Total	$74,519,500.00	$53,849,069.90	$128,368,569.90

(1) Includes the Refunded 2015 Refunding Bonds to be refunded on a crossover basis with proceeds of the 2021 Series B Refunding Bonds. Prior to the 2021 Series B Refunding Bonds Crossover Date of August 1, 2025, the Refunded 2015 Refunding Bonds will continue to be an obligation of the District payable solely from *ad valorem* property taxes.
(2) Prior to the 2021 Series B Refunding Bonds Crossover Date of August 1, 2025, the interest on the 2021 Series B Refunding Bonds is secured by and payable solely from the proceeds thereof on deposit in its escrow fund.
Source: Solano Community College District.

GENERAL OBLIGATION BONDED DEBT SERVICE – ALL AUTHORIZATIONS
Solano Community College District

Year Ending August 1	2002 Authorization Total Annual Debt Service	2012 Series A Bonds[1]	2012 Series C Bonds	2019 Refunding Bonds	2012 Series D Bonds	2012 Series E Bonds	2021 Series A Refunding Bonds	2021 Series C Refunding Bonds[2]	The Bonds	All Authorizations Total Annual Debt Service
2024	$9,928,416.80	$847,418.76	$1,640,150.00	$3,976,391.00	$691,200.00	$2,456,806.26	$2,287,833.86	$511,008.06	$1,714,511.98	$24,053,736.72
2025	9,969,916.80	847,418.76	1,795,650.00	4,198,676.50	691,200.00	1,416,806.26	2,292,119.40	511,008.06	2,722,843.76	24,445,639.54
2026	17,883,916.80	847,418.76	1,947,900.00	4,439,033.26	691,200.00	1,416,806.26	2,288,150.66	511,008.06	2,011,343.76	32,036,777.56
2027	17,969,146.80	847,418.76	2,111,650.00	4,682,114.40	691,200.00	1,416,806.26	2,287,593.16	511,008.06	1,292,093.76	31,809,031.20
2028	18,041,726.80	847,418.76	2,285,900.00	4,931,654.06	691,200.00	1,416,806.26	2,289,083.56	511,008.06	1,292,093.76	32,306,891.26
2029	18,122,836.20	847,418.76	2,459,650.00	5,197,095.26	691,200.00	1,416,806.26	2,288,480.10	781,008.06	1,427,093.76	33,231,588.40
2030	18,196,883.20	847,418.76	1,257,400.00	5,469,113.76	691,200.00	1,416,806.26	3,655,921.40	780,983.36	1,560,343.76	33,876,070.50
2031	18,255,726.50	847,418.76	1,257,400.00	5,750,027.00	691,200.00	1,506,806.26	3,842,688.86	780,865.60	1,596,593.76	34,528,726.74
2032	--	847,418.76	1,257,400.00	6,044,911.60	691,200.00	1,568,206.26	4,037,721.00	780,654.80	1,665,343.76	16,892,856.18
2033	--	847,418.76	1,257,400.00	6,347,693.30	691,200.00	1,627,006.26	4,239,384.70	779,125.46	1,744,843.76	17,534,072.24
2034	--	847,418.76	1,257,400.00	6,667,408.70	691,200.00	1,688,206.26	4,455,448.80	777,481.56	1,814,343.76	18,198,907.84
2035	--	847,418.76	1,257,400.00	7,002,762.70	691,200.00	1,751,606.26	4,670,836.56	780,723.10	1,894,093.76	18,896,041.14
2036	--	847,418.76	1,257,400.00	7,346,267.70	691,200.00	1,817,006.26	4,900,695.86	777,759.56	1,978,343.76	19,616,091.90
2037	--	847,418.76	1,257,400.00	7,710,076.20	691,200.00	1,884,206.26	5,138,813.96	779,665.46	2,056,593.76	20,365,374.40
2038	--	3,442,418.76	1,257,400.00	5,488,105.30	691,200.00	1,958,006.26	5,383,146.66	3,166,310.26	2,353,843.76	23,740,431.00
2039	--	3,694,425.00	1,257,400.00	5,619,870.80	691,200.00	2,033,006.26	5,639,247.76	3,398,249.60	2,473,843.76	24,807,243.18
2040	--	3,956,700.00	1,257,400.00	5,764,520.10	691,200.00	2,109,006.26	5,771,366.00	3,639,867.40	2,724,593.76	25,914,653.52
2041	--	7,952,706.26	1,257,400.00	2,124,606.90	691,200.00	2,195,806.26	6,117,730.50	7,315,571.86	3,134,093.76	30,789,115.54
2042	--	--	1,257,400.00	10,510,519.70	691,200.00	2,282,806.26	--	--	9,003,593.76	23,745,519.72
2043	--	--	8,187,400.00	10,957,650.90	691,200.00	2,370,181.26	--	--	2,488,843.76	24,695,275.92
2044	--	--	8,505,200.00	11,427,302.50	691,200.00	2,463,181.26	--	--	2,596,043.76	25,682,927.52
2045	--	--	8,834,200.00	11,918,059.70	691,200.00	2,556,456.26	--	--	2,712,456.26	26,712,372.22
2046	--	--	9,178,000.00	12,428,107.70	691,200.00	2,654,831.26	--	--	--	24,952,138.96
2047	--	--	--	12,950,847.00	691,200.00	7,187,956.26	--	--	--	20,830,003.26
2048	--	--	--	--	7,836,200.00	10,419,812.50	--	--	--	18,256,012.50
2049	--	--	--	--	8,146,850.00	10,827,550.00	--	--	--	18,974,400.00
2050	--	--	--	--	8,471,750.00	11,257,962.50	--	--	--	19,729,712.50
Total	$128,368,569.90	$30,910,112.66	$63,291,900.00	$168,952,816.04	$41,043,600.00	$83,117,250.24	$71,586,262.80	$27,093,306.38	$52,257,793.44	$666,621,611.46

[1] Includes the Refunded 2012 Series A Bonds to be refunded on a crossover basis with proceeds of the 2021 Series C Refunding Bonds. Prior to the 2021 Series C Refunding Bonds Crossover Date of August 1, 2028, the Refunded 2012 Series A Bonds will continue to be an obligation of the District payable solely from *ad valorem* property taxes.

[3] Prior to the 2021 Series C Refunding Bonds Crossover Date of August 1, 2028, the interest on the 2021 Series C Refunding Bonds is secured by and payable solely from the proceeds thereof on deposit in its escrow fund.

Source: Solano Community College District.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of such Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds, or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX B.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of community college districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" herein. If the safeguards are not successful in preventing a community college district from becoming insolvent, the State Chancellor and the Board of Governors, operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the community college district for the adjustment of its debts. In addition, an insolvent community college district may be able to file a petition under Chapter 9 before a special trustee is appointed. Prior to such petition, if any, the community college district is required to participate in a neutral evaluation process with interested parties as provided in the Government Code or declare a fiscal emergency and adopt a resolution by a majority vote of the governing board that includes findings that the financial state of the community college district jeopardizes the health, safety, or well-being of the residents of its jurisdiction or service area absent the protections of Chapter 9.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Statutory Lien" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's investment pool, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – SOLANO COUNTY TREASURY POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as Appendix B are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (the District's fiscal year ends on June 30), commencing with the report for the 2022-23 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of listed events will be filed in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of listed events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. Within the past five years, the District filed its audited financial statements for fiscal year 2017-18 two days late in connection with one of its then-outstanding general obligations bonds. Within the past five years, the District has also failed to file notices of certain listed events, as required by its then-existing continuing disclosure obligations.

The District has retained Willdan Financial Services, Temecula, California, as its dissemination agent to assist it in preparing and filing the annual reports and notices of listed events required under its existing continuing disclosure obligations with respect to the District's outstanding general obligation bonds, including the Bonds.

Legality for Investment in California

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

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX B.

Financial Statements

The audited financial statements with supplemental information for the year ended June 30, 2022, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated January 30, 2023 of CliftonLarsonAllen LLP (the "Auditor"), are included in this Official Statement as APPENDIX A. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX A to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

RATING

Moody's assigned a rating of "Aa2" to the Bonds. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on The Electronic Municipal Market Access ("EMMA") website operated by the Municipal Securities Rulemaking Board notices of any rating changes on the Bonds. See "LEGAL MATTERS – Continuing Disclosure" herein and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

Piper Sandler & Co. (the "Representative") on behalf of itself and RBC Capital Markets, LLC (together, the "Underwriters") has agreed to purchase the Bonds at a price of $31,893,197.35, which is equal to the initial principal amount of the Bonds of $30,000,000.00, plus net original issue premium of $1,998,197.35, less an Underwriters' discount of $105,000.00.

The Purchase Contract for the Bonds provide that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriters.

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

Piper Sandler & Co. ("Piper Sandler") has entered into a distribution agreement with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the agreement, CS&Co. will purchase Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells. Piper Sandler made a voluntary contribution to the committee that was formed to support the election that authorized the Bonds.

RBC Capital Markets, LLC and its affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC Capital Markets, LLC and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC Capital Markets, LLC and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the District. RBC Capital Markets, LLC and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. RBC Capital Markets, LLC and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of the offering of the Bonds or other offerings of the District; provided, however, that potential investors are advised that the offering of the Bonds is made only by means of the Official Statement. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than as contained in the Official Statement. RBC Capital Markets, LLC made a voluntary contribution to the committee that was formed to support the election that authorized the Bonds.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds and the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All of the data contained herein about the District has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District's Governing Board.

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

SOLANO COMMUNITY COLLEGE DISTRICT

By: /s/ Dr. Celia Esposito-Noy
Superintendent/President

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APPENDIX A

THE 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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SOLANO COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

SOLANO COMMUNITY COLLEGE DISTRICT
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YEAR ENDED JUNE 30, 2022

CliftonLarsonAllen LLP
CLAconnect.com

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 of the Solano Community College District (the District), as of and for the year ended June 30, 2022, 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 of the Solano Community College District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Emphasis of a Matter

Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Regarding a Correction of an Error

The District completed a physical inventory of the equipment, prepared a historical listing of capital assets purchased and donated, and recalculated the accumulated depreciation. As a result, the District reported a restatement for a correction of an error (see Note 14). Our auditors' opinion is not modified with respect to this matter.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

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 the District's proportionate share of the net pension liability (CalSTRS-STRP and CalPERS-Schools Pool Plan), schedule of the District's pension contributions (CalSTRS-STRP and CalPERS-Schools Pool Plan), schedule of changes in the net postemployment healthcare benefits liability and related ratio, and schedule of postemployment healthcare benefits contributions, schedule of postemployment healthcare benefits money-weighted rate of return on plan assets, 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 apportionment, reconciliation of governmental funds to the statement of net position, reconciliation of the 50 percent law calculation and schedule of education protection act expenditures report, including 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, schedule of state financial assistance - grants, schedule of workload measures for state general apportionment, reconciliation of governmental funds to the statement of net position, reconciliation of the 50 percent law calculation and schedule of education protection act expenditures report, 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 January 30, 2023, 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
January 30, 2023

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, 2022. 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, 2022. 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.

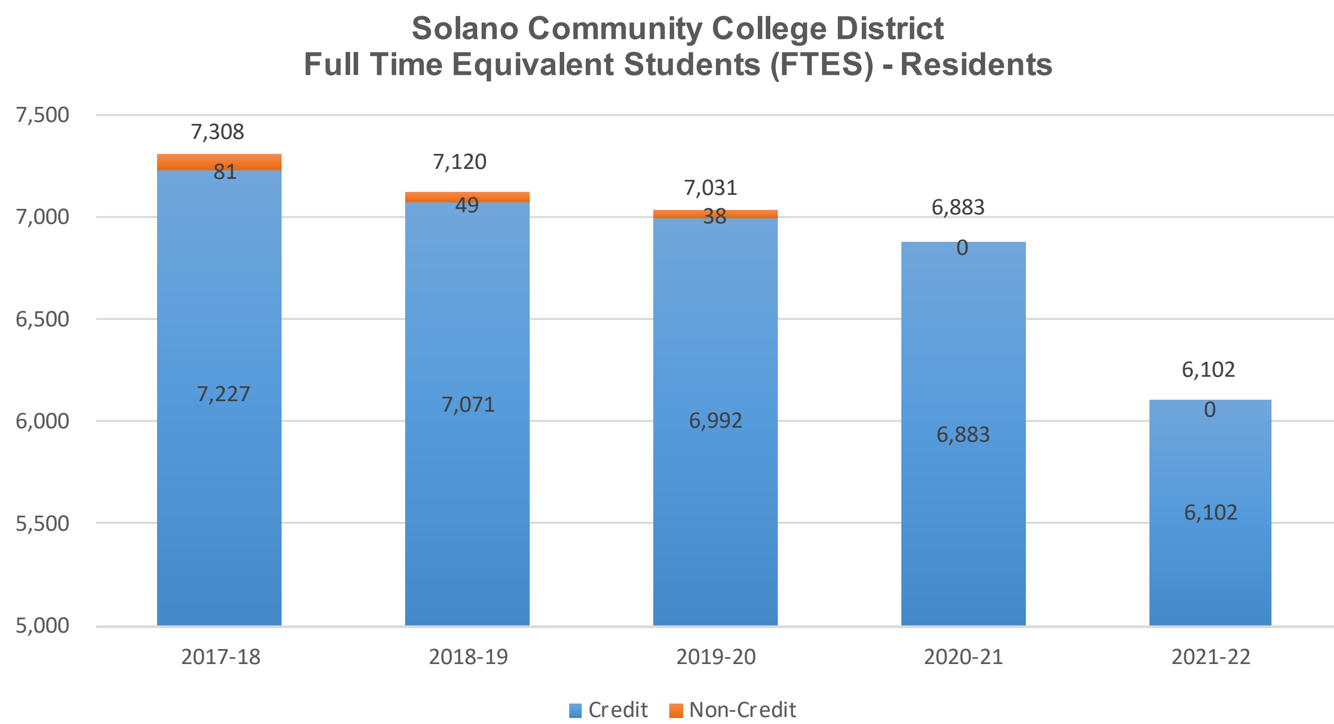
Overview of the Financial Statements

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

Solano is a "Hold Harmless" district under the Student-Centered Funding Formula (SCFF), During the hold- harmless period, District revenues are protected from declines in the SCFF metrics. Due to the changes in the SCFF for the 2022-23 fiscal year, the 2021-22 fiscal year will be the last year the District is in "hold harmless."


Solano Community College District
Full Time Equivalent Students (FTES) - Residents
7,500
7,000
6,500
6,000
5,500
5,000
7,308
81
7,227
7,120
49
7,071
7,031
38
6,992
6,883
0
6,883
6,102
0
6,102
2017-18
2018-19
2019-20
2020-21
2021-22
Credit
Non-Credit

THE DISTRICT AS A WHOLE

Net Position

Table 1

	2022	2021*	Change
Assets			
Current Assets			
Cash and Investments	$ 51,693,544	$ 30,692,069	$ 21,001,475
Accounts Receivable, Net	8,992,097	21,735,015	(12,742,918)
Prepaid Expenses and Other Current Assets	497,726	819,127	(321,401)
Total Current Assets	61,183,367	53,246,211	7,937,156
Noncurrent Assets			
Restricted Cash Equivalents and Investments	175,268,449	71,582,079	103,686,370
Capital Assets, Net	163,408,275	293,276,558	(129,868,283)
Total Noncurrent Assets	338,676,724	364,858,637	(26,181,913)
Total Assets	$ 399,860,091	$ 418,104,848	$ (18,244,757)
Deferred Outflows of Resources	$ 21,553,226	$ 13,166,555	$ 8,386,671
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	$ 10,092,655	$ 13,179,574	$ (3,086,919)
Unearned Revenue	17,102,673	8,224,560	8,878,113
Long-Term Liabilities Due Within One Year	13,631,310	12,494,565	1,136,745
Total Current Liabilities	40,826,638	33,898,699	6,927,939
Long-Term Liabilities	466,901,544	377,343,704	89,557,840
Total Liabilities	$ 507,728,182	$ 411,242,403	$ 96,485,779
Deferred Inflows of Resources	$ 26,072,435	$ 8,269,771	$ 17,802,664
Net Position			
Net Investment in Capital Assets	$ (110,314,683)	$ 31,550,369	$ (141,865,052)
Restricted	23,602,640	17,371,331	6,231,309
Unrestricted Deficit	(25,675,257)	(37,162,471)	11,487,214
Total Net Position	$ (112,387,300)	$ 11,759,229	$ (124,146,529)

* Prior year amounts have not been restated for prior period restatement to Capital Assets, net. See note 14. Certain reclassifications have been made to the 2021 net position to conform with the June 30, 2022 presentation.

Assets

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

Cash equivalents and investments and restricted cash equivalents and investments increased by approximately $124.7 million due principally to the recent bond sale. Restricted cash equivalents and investments includes amounts restricted for debt service.

Receivables and prepaid expenses decreased by approximately $12.7 million due to the timing of unreceived grant funds.

Capital assets decreased by approximately $129.9 million due to a $137.7 million restatement for a correction of an error.

Liabilities

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

Accounts payable and accrued liabilities decreased by approximately $3.1 million primarily due to timing in construction activities and therefore payments due to vendors at year-end.

Unearned revenue increased by approximately $8.9 million primarily due to unspent grant funds.

Long-term liabilities include general obligation bonds outstanding, revenue bonds, employee compensated absences, pension and retirement liabilities, which -

Decreased by approximately $141.8 million primarily due to issuance of new bonds net of paying down the principle and the $137.7 million restatement for a correction of an error.

The negative unrestricted net position decreased by approximately $11.5 million, giving the district a total net position of approximately -$25.7 million.

Operating Results for the Year

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

Table 2

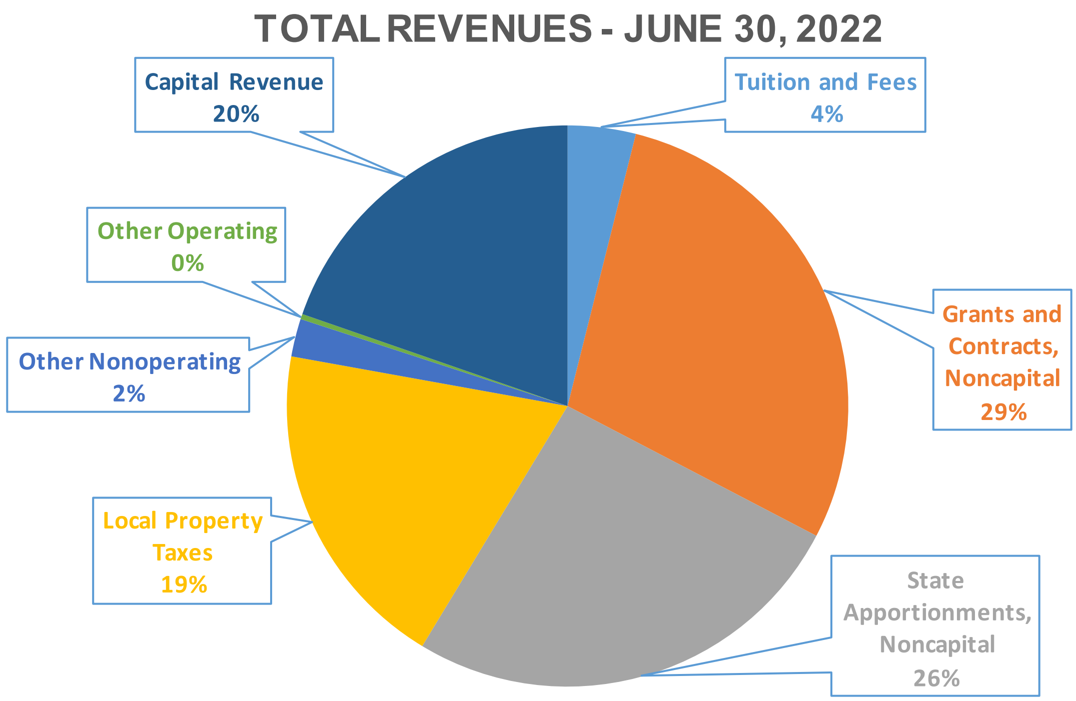
	2022	2021*	Change
Operating Revenues			
Tuition and Fees	$ 4,422,378	$ 3,879,167	$ 543,211
Grants and Contracts, Noncapital	14,615,192	13,464,246	1,150,946
Total Operating Revenues	19,037,570	17,343,413	1,694,157
Operating Expenses			
Salaries	35,561,926	34,024,147	1,537,779
Employee Benefits	12,287,939	18,647,299	(6,359,360)
Supplies, Materials, Other Operating Expenses and Services	41,102,586	21,417,552	19,685,034
Depreciation and Amortization	3,702,761	26,900,611	(23,197,850)
Total Operating Expenses	92,655,212	100,989,609	(8,334,397)
Operating Loss	(73,617,642)	(83,646,196)	10,028,554
Nonoperating Revenues			
Federal Grants	18,105,059	14,503,191	3,601,868
State Apportionments, Noncapital	29,312,339	32,106,670	(2,794,331)
Local Property Taxes	22,759,597	20,799,221	1,960,376
State Grants	2,031,252	3,003,673	(972,421)
Investment Income	426,768	585,578	(158,810)
Other Nonoperating Revenues (Expenses)	2,193	1,111	1,082
Total Nonoperating Revenues (Expenses)	72,637,208	70,999,444	1,637,764
Loss Before Capital Revenues	(980,434)	(12,646,752)	11,666,318
Other Revenues and Expenses, Capital	14,552,104	23,987,955	(9,435,851)
Increase (Decrease) in Net Position	13,571,670	11,341,203	2,230,467
Net Position, Beginning of Year	11,759,229	418,026	11,341,203
Prior Period Restatement (see Note 14)	(137,718,199)	-	(137,718,199)
Net Position, Beginning of Year [as Restated] After Cumulative Effect	(125,958,970)	418,026	(126,376,996)
Net Position - End of Year	$ (112,387,300)	$ 11,759,229	$ (124,146,529)

* Prior year amounts have not been restated for prior period restatement to Capital Assets, net. See note 14.

Significant revenue changes between 2022 and 2021 include:

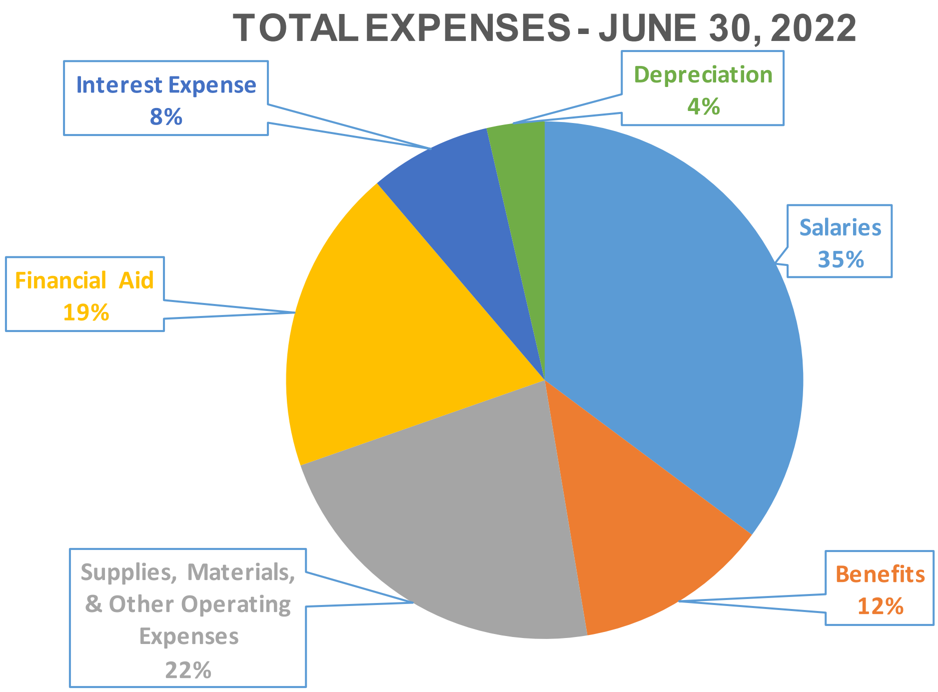
Grants and Contracts increased by approximately $2.5 million; Federal grants increased approximately $2.9 million, State Apportionments decreased by approximately $2.8 million and Local Property Taxes increased approximately $1.9 million.

Year ended June 30, 2022:



Significant expenditure variances include:

Salaries increased approximately $1.5 million, but benefits decreased by approximately $6.3 million. Supplies, materials and other operating expenses increased by approximately $19.7 million. Depreciation decreased by approximately $23.3 million.



Changes in Cash Position

Table 4

	2022	2021	Change
Cash Provided (Used) by			
Operating Activities	$ (62,862,970)	$ (53,236,973)	$ (9,625,997)
Noncapital Financing Activities	78,410,458	61,369,931	17,040,527
Capital Financing Activities	108,673,887	15,884,854	92,789,033
Investing Activities	466,470	451,577	14,893
Net Increase (Decrease) in Cash	124,687,845	24,469,389	100,218,456
Cash - Beginning of Year	102,296,480	77,827,091	24,469,389
Cash - End of Year	$ 226,984,325	$ 102,296,480	$ 124,687,845

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 1, 2021*	Additions	Deletions	Balance June 30, 2022
Land and Construction in Progress	$ 47,133,053	$ 9,517,336	$ 944,196	$ 55,706,193
Buildings and Improvements	159,941,071	244,944	-	160,186,015
Equipment and Furniture	6,801,179	1,252,492	-	8,053,671
Subtotal	213,875,303	11,014,772	944,196	223,945,879
Accumulated Depreciation	56,834,843	3,702,761	-	60,537,604
Total	$ 157,040,460	$ 7,312,011	$ 944,196	$ 163,408,275

* Prior year amounts have been restated for the prior period restatement to Capital Assets, net. See note 14.

The capital assets were similar to the prior year.

Long Term Liabilities

Long-term liabilities include general obligation bonds outstanding, employee compensated absences, pension and retirement obligations. General obligation bonds outstanding increased $20.1 million during 2022-21 primarily due to issuance of refunding bonds net of bond payments during the year. Pension liabilities changed as a result of the unfunded status of the PERS and STRS pension plans. Retirement plan liabilities increased approximately $2.0 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, 2021	Additions	Deletions	Balance June 30, 2022
General Obligation Bonds, Accreted Interest and Bond Premiums	$ 324,013,733	$ 33,957,116	$ 13,870,867	$ 344,099,982
Compensated Absences	1,491,986	-	66,440	1,425,546
Leases Payable	1,482,101	-	117,074	1,365,027
OPEB Aggregate Net	6,946,994	-	1,522,303	5,424,691
Aggregate Net Pension Liability	57,385,556	1,967,503	-	59,353,059
Total Long-Term Liabilities	$ 391,320,370	$ 35,924,619	$ 15,576,684	$ 411,668,305
Amount Due Within One Year				$ 13,631,310

NET PENSION LIABILITY (NPL)

At year-end, the District has a net pension liability of $59.4 million versus $57.4 million last year, an increase of $1.97 million or 3.4%.

BUDGETARY HIGHLIGHTS

Budget Overview

In March 2020, the nation entered a shelter-in-place order due to Corona Virus COVID19. As of the preparation of this report, the impacts of the pandemic seem to be less impactful on the economy and the government finances are recovering. In addition, The Federal Government has provided substantial one-time resources through the CARES/HEERF programs As a result, the final California State budget for 2021-22 offered a combination of continuing and one-time revenue improvements for California Community Colleges.

The 2020-21 budget included a provision that withheld five of the twelve monthly cash payments that the state was obligated to pay K-14 Districts, including Solano. This required Districts to draw down their own cash and/or borrow to support operations. The 2021-22 California budget includes a provision to fully repay those deferrals early in 2021-22.

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, 2022

	Primary Government
ASSETS	
CURRENT ASSETS	
Cash, Cash Equivalents, and Investments	$ 51,693,544
Accounts Receivable, Net	8,992,097
Prepaid Expenses and Other	497,726
Total Current Assets	61,183,367
NONCURRENT ASSETS	
Restricted Cash, Cash Equivalents, and Investments	175,268,449
Capital Assets, Net of Depreciation and Amortization	163,408,275
Total Noncurrent Assets	338,676,724
Total Assets	399,860,091
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	11,390,696
Deferred Outflows - Pension	9,339,114
Deferred Outflows - Other Postemployment Benefits Plan	823,416
Total Deferred Outflows of Resources	21,553,226
Total Assets and Deferred Outflows of Resources	$ 421,413,317

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

	Primary Government
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	$ 4,764,869
Accrued Interest Payable	3,787,418
Accrued Liabilities	1,540,368
Unearned Revenue	17,102,673
Current Portion of Long-Term Debt	13,631,310
Total Current Liabilities	40,826,638
NONCURRENT LIABILITIES	
General Obligation Bonds Payable - Noncurrent Portion	425,820,500
Compensated Absences Payable	1,484,446
Leases Payable	1,343,854
Net OPEB and MPP Liability	7,890,330
Net Pension Liability	30,362,414
Total Noncurrent Liabilities	466,901,544
Total Liabilities	507,728,182
DEFERRED INFLOWS OF RESOURCES	
Deferred Charge on Refunding	489,641
Deferred Inflows of Resources Related to Pensions	23,441,343
Deferred Inflows of Resources Related to OPEB	2,141,451
Total Deferred Inflows of Resources	26,072,435
NET POSITION	
Net Investment in Capital Assets	(110,314,683)
Restricted for:	
Debt Service	15,207,850
Capital Projects	5,909,286
Scholarships and Loans	(564,583)
Other Special Services	3,050,087
Unrestricted Deficit	(25,675,257)
Total Net Position (Deficit)	(112,387,300)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 421,413,317

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	Primary Government
OPERATING REVENUES	
Student Tuition and Fees	$ 7,967,252
Less: Scholarship Discounts and Allowance	(3,544,874)
Net Tuition and Fees	4,422,378
Grants and Contracts, Noncapital:	
Federal	1,162,988
State	13,119,954
Local	317,516
Sales and Commissions	14,734
Total Operating Revenues	19,037,570
OPERATING EXPENSES	
Salaries	35,561,926
Employee Benefits	12,287,939
Supplies, Materials, and Other Operating Expenses and Services	20,235,586
Financial Aid	18,563,941
Utilities	2,303,059
Depreciation and Amortization	3,702,761
Total Operating Expenses	92,655,212
OPERATING LOSS	(73,617,642)
NONOPERATING REVENUES	
Federal Grants and Contracts	18,105,059
State Apportionments, Noncapital	29,312,339
Local Property Taxes	22,759,597
States Taxes and Other Revenue	2,031,252
Interest and Investment Income	426,768
Contributions	2,193
Total Nonoperating Revenues	72,637,208
LOSS BEFORE OTHER REVENUES AND EXPENSES	(980,434)
OTHER REVENUES AND EXPENSES	
State Apportionments, Capital	401,564
Local Property Taxes and Revenues, Capital	21,633,886
Interest and Investment Income, Capital	157,741
Interest Paid on Capital Related Debt	(7,641,087)
Total Other Revenues and Expenses	14,552,104
CHANGES IN NET POSITION	13,571,670
Net Position, Beginning of Year as Previously Reported	11,759,229
Prior Period Restatement (see Note 14)	(137,718,199)
Net Position, Beginning of Year After Restatement	(125,958,970)
NET POSITION - END OF YEAR	$ (112,387,300)

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees, Net	$ 3,926,421
Federal Grants and Contracts	2,948,053
State Grants and Contracts	21,658,843
Local Grants and Contracts	2,136,841
Sales and Commissions	14,734
Payments to Suppliers	(21,444,919)
Payments to/On-Behalf of Employees	(53,536,087)
Payments to/On-Behalf of Students	(18,566,856)
Net Cash Used by Operating Activities	(62,862,970)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Apportionments and Receipts	34,808,139
Federal Grants and Contracts	18,575,360
State Taxes and Other Revenue	22,759,597
Local Property Taxes	2,267,362
Net Cash Provided by Noncapital Financing Activities	78,410,458
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Local Revenue for Capital Purposes	21,575,921
State Apportionment for Capital Purposes	401,564
Proceeds of Debt Issuance	53,325,730
Transfer to Escrow Account for Defeased Debt	124,491,917
Interest on Investments, Capital Funds	3,949,163
Net Purchase and Sale of Capital Assets	(11,690,220)
Principal Paid on Capital Related Debt	(57,830,000)
Interest Paid on Capital Related Debt	(25,550,188)
Net Cash Provided by Capital Financing Activities	108,673,887
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received from Investments	466,470
Net Cash Provided by Investing Activities	466,470
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,687,845
Cash and Cash Equivalents - Beginning of Year	102,274,148
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 226,961,993

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Primary Governmental
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (73,617,642)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization	3,702,761
Changes in Assets and Liabilities:	
Receivables, Net	2,705,024
Prepaid Expenses	321,401
Deferred Outflows of Resources - Pensions	2,288,335
Accounts Payable	826,843
Accrued Liabilities	(34,653)
Due to Fiduciary	6,752
Unearned Revenue	8,878,113
Compensated Absences	127,597
Net Other Postemployment Retiree Benefits (OPEB)	943,336
Net Pension Liabilities	(27,023,142)
Deferred Inflows of Resources - Pensions	18,785,700
Deferred Inflows of Resources - OPEB	(773,395)
Net Cash Used by Operating Activities	$ (62,862,970)
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION	
Cash, Cash Equivalents, and Investments	$ 51,693,544
Restricted Cash, Cash Equivalents, and Investments	175,268,449
Total	$ 226,961,993
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Amortization of Deferred Charges	$ 1,709,314
Amortization of Debt Premiums	(7,538,674)

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Retiree Benefits Trust
ASSETS	
Investments	$ 4,924,268
Total Assets	$ 4,924,268
NET POSITION	
Restricted for Postemployment Benefits	$ 4,924,268
Total Net Position	$ 4,924,268

See accompanying Notes to Financial Statements.

SOLANO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	Retiree Benefits Trust
ADDITIONS	
Interest and Investment Income	$ (685,329)
NET INCREASE IN NET POSITION	(685,329)
Net Position - Beginning of Year	5,609,597
NET POSITION - END OF YEAR	$ 4,924,268

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 from 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 $4,326,492 for the year ended June 30, 2022.

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. The District paid facility rent and workers' compensation insurance prior to June 30, 2022.

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.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide 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 on the government-wide 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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, and other pension related changes. These amounts are deferred and amortized as detailed in the Notes to the financial statements.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability (Continued)

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State Apportionments

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

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The 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. 87, *Leases*

In June 2017, the GASB issued GASB Statement No. 87, *Leases.* This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the District reporting a right-to-use asset and a lease liability disclosed in Note 7.

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, 2020, 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, 2022 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.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2022. 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 5 years.

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. 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, 2022, the Retiree Benefit Trust had not invested more than 10% of its portfolio in one issuer.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – The Retiree Benefits Trust (Continued)

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, 2022, the District's investment balance of $4,924,268 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, 2022 consist of the following:

Federal and State	$ 6,574,397
Miscellaneous	1,917,642
Student Receivables	4,826,551
Less: Allowance for Bad Debt	(4,326,492)
Student Receivables, Net	$ 8,992,098

NOTE 5 CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2022, was as follows:

Capital Assets:	Balance as Previously Reported on July 01, 2021	Restatement*	Balance July 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	Balance June 30, 2022
Not Being Depreciated or Amortized:						
Land	$ 21,663,979	$ -	$ 21,663,979	$ -	$ -	$ 21,663,979
Construction in Progress	53,828,162	(28,359,088)	25,469,074	9,517,336	944,196	34,042,214
Total Not Being Depreciated or Amortized	75,492,141	(28,359,088)	47,133,053	9,517,336	944,196	55,706,193
Being Depreciated or Amortized:						
Land Improvements	11,832,827	(1,977,026)	9,855,801	-	-	9,855,801
Buildings and Improvements	284,460,134	(134,374,864)	150,085,270	244,944	-	150,330,214
Right of Use Equipment**	-	-	1,482,101	-	-	1,482,101
Furniture and Equipment	44,075,414	(38,756,336)	5,319,078	1,252,492	-	6,571,570
Total Being Depreciated or Amortized	340,368,375	(175,108,226)	166,742,250	1,497,436	-	168,239,686
Total Capital Assets	415,860,516	(203,467,314)	213,875,303	11,014,772	944,196	223,945,879
Less Accumulated Depreciation and Amortization:						
Land Improvements	7,636,143	1,030,168	8,666,311	33,806	-	8,700,117
Buildings and Improvements	96,247,531	(49,186,107)	47,061,424	3,087,782	-	50,149,206
Right of Use Equipment	-	-	-	59,109	-	59,109
Furniture and Equipment	18,700,284	(17,593,176)	1,107,108	522,064	-	1,629,172
Total Accumulated Depreciation and Amortization	122,583,958	(65,749,115)	56,834,843	3,702,761	-	60,537,604
Net Capital Assets Being Depreciated and Amortized	217,784,417	(109,359,111)	109,907,407	(2,205,325)	-	107,702,082
Net Capital Assets	$ 293,276,558	$ (137,718,199)	$ 157,040,460	$ 7,312,011	$ 944,196	$ 163,408,275

* The July 1, 2021 balance has been restated by $137,718,199 for a correction of an error. See note 14.

** The July 1, 2021 balance has been revised by $1,482,101 for the implementation of GASB 87 Leases.

Depreciation and amortization expense for the year was $3,702,761.

NOTE 6 LONG-TERM LIABILITIES

Summary

The changes in the District's long-term liabilities during the June 30, 2022 fiscal year consisted of the following:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Due in One Year
Bonds and Notes Payable:					
General Obligation Bonds	$ 298,050,698	$ 175,180,000	$ 52,994,560	$ 420,236,138	$ 8,560,252
Accreted Interest	13,675,045	2,832,794	4,835,440	11,672,399	4,914,748
Bond Premiums	12,287,990	2,637,647	7,538,674	7,386,963	-
Total Bonds Payable	324,013,733	180,650,441	65,368,674	439,295,500	13,475,000
Other Liabilities:					
Compensated Absences	1,491,986	127,597	-	1,619,583	135,137
Leases Payable*	1,482,101	-	117,074	1,365,027	21,173
Other Postemployment Benefit Plan	6,739,339	934,643	-	7,673,982	-
Medicare Premium Payment (MPP) Program	207,655	8,693	-	216,348	-
Net Pension Liability	57,385,556	-	27,023,142	30,362,414	-
Total Long-Term Liabilities	$ 391,320,370	$ 181,721,374	$ 92,508,890	$ 480,532,854	$ 13,631,310

* The July 1, 2021 balance has been revised by $1,482,101 for the implementation of GASB 87 *Leases* .

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 0.0542%. 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
2023	$ 21,173	$ 28,778	$ 49,951
2024	17,697	28,412	46,109
2025	19,476	28,016	47,492
2026	21,335	27,581	48,916
2027	23,277	27,108	50,385
2028-2032	148,609	126,914	275,523
2033-2037	211,374	108,032	319,406
2038-2042	288,396	81,883	370,279
2043-2047	382,409	46,846	429,255
2048-2050	231,281	6,891	238,172
Total	$ 1,365,027	$ 510,461	$ 1,875,488

NOTE 8 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.

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.

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

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

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.

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 Refunding 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.

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. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $1,251,540 and was accrued as deferred outflow for 2015 Refunding. Existing carrying value of the refunded debt exceeded the payments to the refunding escrow agent by $2,448,210 and was accrued as deferred inflow for 2014 Refunding Series A. Net amortization of $161,391 was recognized during the fiscal year ended June 30, 2022.

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 $779,559 was recognized during the fiscal year ended June 30, 2022.

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.

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

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

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 has an expected 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 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 has an expected redemption date of August 1, 2027. The refunded bonds have been fully defeased and are not recorded on the financial statements.

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.

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. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $8,930,512 and was accrued as deferred outflow for 2021 Refunding. Net amortization of $446,526 was recognized during the fiscal year ended June 30, 2022.

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 $14,262,834. This amount will be amortized using the straight-line method. Amortization of $1,016,033 was recognized during the fiscal year ended June 30, 2022.

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

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, 2022
2002 Election					
Series A	5/1/2003	8/1/2022	3.0%-5.0%	$ 80,000,000	$ -
Series B	8/22/2006	8/1/2031	4.0%-12.0%	44,495,279	-
2005 Refunding	3/1/2005	8/1/2022	3.0%-5.0%	81,349,812	745,252
2014 Refunding Bonds, Series A	4/08/2014	8/1/2023	4.0%-5.0%	10,645,000	8,665,000
2014 Refunding Bonds, Series B	4/08/2014	8/1/2022	0.462%-3.504%	41,165,000	3,335,000
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					109,747,705
2012 Election					
Series A	6/18//2013	8/1/2041	2.0%-5.49%	89,996,899	10,968,433
Series B	6/18/2013	8/1/2023	2.8%-5.5%	30,000,000	1,005,000
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	110,330,000
Series D	11/17/2020	8/1/2050	4.0%	30,000,000	27,155,000
2021 Refunding Bonds, Series A	10/06/2021	8/1/2041	0.183%-2.819%	56,915,000	56,915,000
2021 Refunding Bonds, Series C	10/06/2021	8/1/2041	1.861%-2.819%	18,825,000	18,825,000
Series E	10/06/2021	8/1/2050	2.625%-4.0%	50,000,000	50,000,000
Subtotal					310,488,433
Total					$ 420,236,138

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

Fiscal Year	Principal	Interest to Maturity	Total
2023	$ 8,560,252	$ 4,914,748	$ 9,210,737
2024	13,145,000	-	8,977,646
2025	7,683,306	1,281,694	10,284,807
2026	7,287,796	1,437,204	11,542,765
2027	15,793,451	1,606,549	11,195,711
2028-2032	95,722,899	8,252,101	49,522,914
2033-2037	39,560,000	-	38,756,580
2038-2042	71,478,433	6,626,567	30,823,378
2043-2047	88,350,000	-	16,921,606
2048-2051	72,655,000	-	3,415,501
Total	420,236,138	$ 24,118,863	$ 190,651,644
Accretions to Date	11,672,399		
Total	$ 431,908,537		

NOTE 9 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, 2022, the valuation date, the Plan membership consisted of the following:

Inactive Employees or Beneficiaries Currently Receiving Benefits Payments	104
Active Employees	296
Total	400

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.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Health Benefit OPEB Trust (Continued)

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 2021-22, the District contributed $963,504 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.

The following was the Governing Board's adopted asset allocation policy as of June 30, 2022:

	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, 2022, 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 $7,673,982 was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Net OPEB Liability of the District (Continued)

The components of the net OPEB liability of the District at June 30, 2022, were as follows:

Total OPEB Liability	$ 12,598,250
Plan Fiduciary Net Position	(4,924,268)
District's Net OPEB Liability	$ 7,673,982

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 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.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous 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, 2022 valuation were based on the results of an actual experience study for the period July 1, 2021 to June 30, 2022.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

Net OPEB Liability of the District (Continued

Actuarial Assumptions (Continued)

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, 2022 (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 9 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, 2021	$ 12,348,936	$ 5,609,597	$ 6,739,339
Service Cost	515,631	-	515,631
Interest	697,187	(677,626)	1,374,813
Employer Contributions as Benefit Payments	-	963,504	(963,504)
Expected Investment Income	-	-	-
Investment Gains/(Losses)	-	-	-
Experience (Gains)/Losses	-	-	-
Changes in Assumptions	-	-	-
Benefit Payments	(963,504)	(963,504)	-
Administrative Expense	-	(7,703)	7,703
Net Change in Total OPEB Liability	249,314	(685,329)	934,643
Balance - June 30, 2022	$ 12,598,250	$ 4,924,268	$ 7,673,982

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%)	$ 8,597,332
Current Discount Rate (5.75%)	7,673,982
1% Increase (6.75%)	6,842,658

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 (3.0%) or 1-percentage-point higher (5%) than the current health care cost trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% Decrease (3.00%)	$ 6,463,589
Current Healthcare Cost Trend Rate (4.00%)	7,673,982
1% Increase (5.00%)	9,079,896

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (CONTINUED)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of $336,516.

At June 30, 2022, 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	$ -	$ 1,183,623
Changes of Assumptions	-	554,389
Investment Gains and Losses	823,416	403,439
Total	$ 823,416	$ 2,141,451

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
2023	$ (553,145)
2024	(426,027)
2025	(249,800)
2026	(1,467)
2027	(87,596)
Total	$ (1,318,035)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2022, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 14,562,560	$ 6,310,065	$ 15,944,902	$ (54,365)
CalPERS	15,799,854	3,029,049	7,496,441	1,113,125
Total	$ 30,362,414	$ 9,339,114	$ 23,441,343	$ 1,058,760

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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 exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans. The STRP provisions and benefits in effect at June 30, 2022, are summarized as follows:

	STRP Defined Benefit Program	
	On or Before	On or After
Hire Date	December 31, 2012	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% to 2.4%	2.0% to 2.4%
Required Employee Contributions Rate	10.25%	10.205%
Required Employer Contributions Rate	16.920%	16.920%
Required State Contribution Rate	10.828%	10.828%

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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 contribution 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, 2022, are presented above, and the District's total contributions were $6,310,065.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including state share:

District's Proportionate Share of Net Pension Liability	$ 14,562,560
State's Proportionate Share of the Net Pension Liability Associated with the District	7,327,468
Total	$ 21,890,028

The net pension liability was measured as of June 30, 2021. 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 college districts and the state, actuarially determined. At June 30, 2021, the District's proportion was 0.0320% which is a decrease of 0.0010% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension benefit of $54,365. In addition, the District recognized revenue and corresponding expense of $250,700 for contributions provided by the state.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

At June 30, 2022, 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	$ 3,247,203	$ -
Differences Between Expected and Actual Experience	36,480	1,549,760
Changes of Assumptions	2,063,360	-
Changes in Proportion	963,022	2,875,782
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	11,519,360
Total	$ 6,310,065	$ 15,944,902

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, 2023. 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, 2021 measurement date is seven years.

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

Year Ending June 30,	Deferred Outflows/ Inflows of Resources
2023	$ (3,090,765)
2024	(2,422,324)
2025	(2,956,548)
2026	(3,707,529)
2027	(425,537)
2028	(279,337)
Total	$ (12,882,040)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to a financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Actuarial Methods and Assumptions (Continued)

The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 2015 to 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-2016) 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	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	42 %	4.80 %
Real Estate	15	3.60
Private Equity	13	6.30
Fixed Income	12	1.30
Risk Mitigating Strategies	10	1.80
Inflation Sensitive	6	3.30
Cash/Liquidity	2	(0.4)

NOTE 10 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 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 1% lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% Decrease (6.10%)	$ 29,644,160
Current Discount Rate (7.10%)	14,562,560
1% Increase (8.10%)	2,045,120

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.

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.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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 nonduty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2022, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or Before	On or After
Hire Date	December 31, 2012	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% to 2.5%	1.0% to 2.5%
Required Employee Contributions Rate	7.00%	7.00%
Required Employer Contributions Rate	22.91%	22.91%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the total District contributions were $3,029,049.

NOTE 10 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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $25,405,586. The net pension liability was measured as of June 30, 2021. 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 college districts, actuarially determined. At June 30, 2021, the District's proportion was 0.0777% which is an increase of 0.0051% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of $,1,113,125. At June 30, 2022, 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	$ 2,557,383	$ -
Differences Between Expected and Actual Experience	471,666	37,247
Changes of Assumptions	-	-
Changes in Proportion	-	1,395,680
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	6,063,514
Total	$ 3,029,049	$ 7,496,441

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, 2023. 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, 2021 measurement date is four years.

NOTE 10 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 remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/ Inflows of Resources
2023	$ (1,752,888)
2024	(1,753,489)
2025	(1,832,017)
2026	(1,686,381)
Total	$ (7,024,775)

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 1997 to June 30, 2015
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.15%
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by Entry Age and Services

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the postretirement mortality rates, those revised rates include 15 years of mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries.

NOTE 10 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 both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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	50 %	5.98 %
Fixed Income	28	2.62
Real Assets	13	4.93
Private Equity	8	7.23
Liquidity	1	(0.9)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and 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.

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

Discount Rate	Net Pension Liability
1% Decrease (6.15%)	$ 26,640,772
Current Discount Rate (7.15%)	15,799,854
1% Increase (8.15%)	6,799,565

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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 11 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, 2022, 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.

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."

NOTE 11 JOINT POWER AUTHORITY (CONTINUED)

Workers' Compensation (Continued)

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, 2021 is as follows:

	NCCCP 6/30/2021 (Audited)	SAFER 6/30/2021 (Audited)
Total Assets and Deferred Outflows	$ 1,315,074	$ 43,779,353
Total Liabilities and Deferred Inflows	102,932	41,873,705
Fund Balance	$ 1,212,142	$ 1,905,648
Total Revenues	$ 4,885,826	$ 101,643,978
Total Expenditures	4,802,676	101,673,081
Change in Fund Balance	$ 83,150	$ (29,103)

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

NOTE 12 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 (01000-59000)	$ 19,605,318	$ 6,658,643	$ 1,520,758	$ -	$ -	$ 27,784,719
Academic Support (60000, 61100, 61300-63000)	6,159,968	1,760,075	1,323,074	-	-	9,243,117
Student Services (64000, 73000)	2,020,461	635,161	918,877	-	-	3,574,499
Operation & Maintenance (65000)	2,257,891	930,635	4,357,357	-	-	7,545,883
Institutional Support (66000, 67000, 71000)	4,531,653	1,973,929	13,987,059	-	-	20,492,641
Public Service (68000, 69000)	986,635	329,120	346,220	-	-	1,661,975
Auxiliary Enterprises (70000)	-	376	85,300	-	-	85,676
Scholarships & Fellowships (73000)	-	-	-	18,563,941	-	18,563,941
Depreciation and Amortization	-	-	-	-	3,702,761	3,702,761
Totals by Object	$ 35,561,926	$ 12,287,939	$ 22,538,645	$ 18,563,941	$ 3,702,761	$ 92,655,212

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2022.

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, 2022.

Construction Commitments

As of June 30, 2022, the District had the following commitments with respect to the capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Library/Learning Resource Center	$ 510,351	July 2022
Aeronautics Nut Tree Facility Improvements	109,619	August 2022
Baseball and Softball Clubhouse	180,561	August 2022
FF Campus Door Hardware Installation	27,791	August 2023
Solar Energy	11,915,568	December 2023
Total	$ 12,743,890	

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Commitments (Continued)

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

Coronavirus Pandemic

The District continues to be impacted by the effects of the world-wide coronavirus pandemic, primarily as it relates to enrollment management and increased cash flow monitoring due to state apportionment deferrals. The District continues to closely monitor its operations, liquidity, and capital resources and continues to actively work to minimize the impact of this unprecedented situation.

NOTE 14 RESTATEMENT TO BEGINNING NET POSITION FOR CORRECTION OF AN ERROR

In response to the prior year finding 2021-001, the District has completed a physical inventory of the equipment, prepared a historical listing of capital assets purchased and donated, and recalculated the accumulated depreciation. The beginning net position of the basic financial statements has been restated by $137,718,199.

Certain reclassifications of amounts previously reported have been made to the Management Discussion and Analysis to maintain consistency between periods presented.

NOTE 15 GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

The GASB has issued pronouncements prior to June 30, 2021, that have effective dates that impact future financial presentations; however, the impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time.

Statement No. 91 – *Conduit Debt Obligations*

The objective of the statement is to eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations and related note disclosures. The statement clarifies the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the user, and establishing standards for accounting and financial reporting. The statement effective date has been postponed to fiscal year 2022-23.

NOTE 15 GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE (CONTINUED)

Statement No. 92 – *Omnibus 2020*

This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The statement effective date been postponed to fiscal year 2022-23.

Statement No. 93 – *Replacement of Interbank Offered Rates* (IBOR)

This statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The statement effective date has been postponed to fiscal year 2022-23.

Statement No. 94 – *Public-Private & Public-Public Partnerships and Availability Payment Arrangements*

This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The statement is effective for the fiscal year 2022-23.

Statement No. 96 – *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is effective for the fiscal year 2022-23.

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. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective for the fiscal year 2021-22. The requirements related to leases, PPPs, and SBITAs are effective for the fiscal year 2022-23. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the fiscal year 2023-24.

NOTE 15 GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE (CONTINUED)

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. The statement is effective for the fiscal year 2023-24.

Statement No. 101 – Compensated Absences

The objectives of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for the fiscal year 2024-25.

REQUIRED SUPPLEMENTARY INFORMATION

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE POSTEMPLOYMENT HEALTHCARE BENEFITS LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2022

Total OPEB Liability	2017	2018	2019	2020	2021	2022
Service Cost	$ 962,203	$ 988,664	$ 1,015,852	$ 555,653	$ 570,933	$ 515,631
Interest	590,814	874,856	800,703	747,113	760,154	697,187
Experience (Gains)/Losses	-	-	(1,411,659)	-	(762,696)	-
Changes of Assumptions	-	(2,067,466)	-	-	(75,824)	-
Benefit Payments	(1,044,653)	(1,086,439)	(1,004,606)	(1,131,324)	(1,054,795)	(963,504)
Net Change in Total OPEB Liability	508,364	(1,290,385)	(599,710)	171,442	(562,228)	249,314
Total OPEB Liability - Beginning	14,121,453	14,629,817	13,339,432	12,739,722	12,911,164	12,348,936
Total OPEB Liability - Ending (a)	$ 14,629,817	$ 13,339,432	$ 12,739,722	$ 12,911,164	$ 12,348,936	$ 12,598,250
Plan Fiduciary Net Position						
Contributions - Employer	$ 1,044,653	$ 1,406,528	$ 1,324,606	$ 1,451,324	$ 1,054,795	$ 963,504
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)
Investment Gains/(Losses)	-	-	-	-	669,373	(677,626)
Administrative Expense	(5,029)	-	(6,494)	(6,636)	(6,999)	(7,703)
Net Change in Plan Fiduciary Net Position	258,292	549,425	548,332	513,370	942,207	(685,329)
Plan Fiduciary Net Position - Beginning	2,797,971	3,056,263	3,605,688	4,154,020	4,667,390	5,609,597
Plan Fiduciary Net Position - Ending (b)	$ 3,056,263	$ 3,605,688	$ 4,154,020	$ 4,667,390	$ 5,609,597	$ 4,924,268
Net OPEB Liability- Ending (a) - (b)	$ 11,573,554	$ 9,733,744	$ 8,585,702	$ 8,243,774	$ 6,739,339	$ 7,673,982
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	20.89%	27.03%	32.61%	36.15%	45.43%	39.09%
Covered Employee Payroll	$ 24,660,729	$ 28,120,651	$ 25,918,991	$ 26,729,239	$ 26,012,336	$ 26,082,598
Net OPEB Liability as a Percentage of Covered-Employee Payroll	46.93%	34.61%	33.13%	30.84%	25.91%	29.42%

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 CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022

OPEB Contributions	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution (ADC)	$ 1,044,653	$ 1,406,528	$ 1,324,606	$ 1,451,324	$ 1,054,795	$ 1,036,874
Contributions in Relation to the ADC	1,044,653	1,406,528	1,324,606	1,451,324	1,054,795	1,036,874
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 24,660,729	$ 28,120,651	$ 25,918,991	$ 26,729,239	$ 26,012,336	$ 26,082,598
Contributions as a Percentage of Covered-Employee Payroll	4.24%	5.00%	5.11%	5.43%	4.05%	3.98%

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, 2022

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

California State Teachers' Retirement System - State Teachers' Retirement Plan	2015	2016	2017	2018	2019	2020	2021	2022
District's Proportion of the Net Pension Liability	0.0405%	0.0394%	0.0332%	0.0317%	0.0345%	0.0342%	0.0330%	0.0320%
District's Proportionate Share of The Net Pension Liability	$ 23,649,968	$ 26,512,169	$ 29,062,671	$ 29,295,937	$ 31,725,887	$ 30,918,568	$ 31,979,970	$ 14,562,560
State's Proportionate Share of the Net Pension Liability Associated with the District	14,280,872	14,022,015	16,544,860	17,331,229	18,164,554	16,868,143	16,485,545	7,327,468
Total	$ 37,930,840	$ 40,534,184	$ 45,607,531	$ 46,627,166	$ 49,890,441	$ 47,786,711	$ 48,465,515	$ 21,890,028
District's Covered Payroll	$ 16,407,382	$ 16,914,388	$ 17,309,532	$ 16,730,462	$ 19,389,388	$ 18,881,543	$ 18,741,009	$ 18,525,752
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.14%	156.74%	167.90%	175.11%	163.63%	163.75%	170.64%	78.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77%	74%	70%	69%	71%	73%	72%	87%
California Public Employees' Retirement System - Schools Pool Plan								
District's Proportion of the Net Pension Liability	0.1085%	0.1048%	9.6000%	0.0861%	0.0865%	0.0841%	0.0828%	0.0777%
District's Proportionate Share of the Net Pension Liability	$ 12,322,720	$ 15,451,644	$ 18,955,292	$ 20,545,045	$ 23,058,683	$ 24,499,485	$ 25,405,586	$ 15,799,854
District's Covered Payroll	$ 11,365,881	$ 11,747,308	$ 11,535,397	$ 10,977,418	$ 11,406,864	$ 11,704,107	$ 11,640,226	$ 11,179,672
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	108.42%	131.53%	164.32%	186.79%	202.15%	209.32%	218.26%	141.33%
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	83%	79%	74%	72%	71%	70%	70%	81%

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.

The amounts for covered payroll are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See accompanying Note to Required Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS FOR PENSIONS
YEAR ENDED JUNE 30, 2022

California State Teachers' Retirement System - State Teachers' Retirement Plan	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 1,508,056	$ 1,846,655	$ 2,111,185	$ 2,806,691	$ 3,082,822	$ 3,203,865	$ 2,986,309	$ 3,247,203
Contributions in Relation to the Contractually Required Contribution	1,508,056	1,846,655	2,111,185	2,806,691	3,082,822	3,203,865	2,986,309	3,247,203
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 16,914,388	$ 17,309,532	$ 16,730,462	$ 19,389,388	$ 18,881,543	$ 18,741,009	$ 18,525,752	$ 19,103,141
Contributions as a Percentage of Covered Payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%	16.15%	16.92%
California Public Employees' Retirement System - Schools Pool Plan								
Contractually Required Contribution	$ 1,357,277	$ 1,367,714	$ 1,524,484	$ 1,771,599	$ 2,108,935	$ 2,313,629	$ 2,308,736	$ 2,557,383
Contributions in Relation to the Contractually Required Contribution	1,357,277	1,367,714	1,524,484	1,771,599	2,108,935	2,313,629	2,308,736	2,557,383
Contribution Deficiency E\excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 11,747,308	$ 11,535,397	$ 10,977,418	$ 11,406,864	$ 11,704,107	$ 11,640,226	$ 11,179,672	$ 11,222,342
Contributions as a Percentage of Covered Payroll	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%

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.

NOTE 1 PURPOSE OF SCHEDULES

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

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, 10 years of information will be presented.

Changes in Benefit Terms – There were no changes of benefit terms that impact the valuation.

Changes in Assumptions – The discount rate was changed from 6.00% to 5.75% since the previous valuation.

Schedule of Postemployment Healthcare Benefits Contributions

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

The actuarially determined contribution amount was not determined as the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 18 years.

Methods of assumptions used to determine contribution rates are:

Actuarial Cost Method	Entry age actuarial
Inflation	2.50 %
Salary Increases	2.75 %
Investment Rate of Return	5.75 %
Health Care Trend Rate	4.00 %

Mortality rates were based on:

Participant Type	Mortality Tables
Academic	2020 CalSTRS Mortality
Classified	2017 CalPERS Mortality for Miscellaneous and Schools Employees

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.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net positions and, when applicable, the state's proportionate share of the NPL associated with the District. In the future, as data becomes available, 10 years of information will be presented.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of the District's Proportionate Share of the Net Pension Liability (continued)

Changes in Assumptions – Are as detailed below:

2019-20
CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

2018-19
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%.

2017-18
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%.

2015-16
CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedule of District Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

SUPPLEMENTARY INFORMATION

SOLANO COMMUNITY COLLEGE DISTRICT
HISTORY AND ORGANIZATION
YEAR ENDED JUNE 30, 2022

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, 2022 were as follows:

BOARD OF TRUSTEES

Member	Office	Term Expires
Sarah E. Chapman, Ph.D.	President	2022
Karimah Karah, J. D.	Vice President	2022
Denis Honeychurch, J.D	Member	2022
Michael A. Martin	Member	2024
Rosemary Thurston	Member	2024
Qunten R. Voyce	Member	2024
A. Marie Young	Member	2022
Ashley Tigue	Student Trustee	2022

ADMINISTRATION

Celia Esposito-Noy, Ed.D	Superintendent-President / Board Secretary
Susan Wheet	Vice President of Finance and Administration
Shannon Cooper	Vice President of Student Services
David Williams	Vice president of Academic Affairs
Salvatore Abbate	Director of Human Resources

AUXILIARY ORGANIZATION IN GOOD STANDING

None

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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)	$ 184,584
Pell Grant	84.063	(1)	6,756,956
Student Financial Aid Administrative Allowance	84.063	(1)	8,534
Federal Work Study (FWS)	84.033	(1)	168,340
William D. Ford Direct Loan Program	84.268	(1)	751,965
Total Student Financial Assistance Cluster			7,870,379
COVID-19 Higher Education Emergency Relief Funds (HEERF):			
COVID-19 HEERF - Student Aid	84.425E	(1)	6,073,835
COVID-19 HEERF- Institutional	84.425F	(1)	5,274,268
Total COVID-19 Higher Education Emergency Relief Funds (HEERF)			11,348,103
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)	405,392
Total U.S. Department of Education			19,623,874
U.S. Department of Agriculture			
Pass-Through California Department of Education:			
Child Care Food Program	10.558	(2)	31,974
U.S. Department of Defense			
Pass-Through California Governor's Office of Planning and Research (OPR):			
California Advances Supply Chain Analysis & Diversification Effort (CASCADE)	12.617	(1)	64,635
Pass-Through California Governor's Office of Planning and Research (OPR):			
California Advanced Defense Ecosystems & National Consortia Effort (CADENCE)	12.600	(1)	156,646
Total U.S. Department of Defense			221,281
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)	62,782
Foster-Kinship Care Education	93.658	(2)	78,451
Total U.S. Department of Health and Human Services			141,233
U.S. Department of Veteran's Affairs			
Direct:			
Veteran Assistance Title 38	64.028	(1)	1,650
Total Federal Grants			$ 20,020,012

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

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE – GRANTS
YEAR ENDED JUNE 30, 2022

	Program Entitlements			Program Revenues				
Program Name	Current Year	Prior Year	Total Entitlement	Cash Received	Accounts Receivables	Unearned Revenue	Total Revenue	Program Expenditures
State Categorical Aid Programs:								
Adult Education Block Grant - AB104	$ 39,549	$ 37,030	$ 76,579	$ 39,549	$ -	$ 7,018	$ 32,531	$ 32,531
CA College Promise (BOG Fee Waiver Admin)	69,644	203,724	273,368	302,953	-	-	302,953	302,953
CA College Promise	702,752	603,715	1,306,467	702,752	-	645,523	57,229	57,229
Campus Safe	-	17,581	17,581	-	-	-	-	-
Cal Works	253,468	37,338	290,806	253,468	-	53,092	200,376	200,376
CARE	96,218	26,747	122,965	96,218	-	40,786	55,432	55,432
California State Preschool Program (CSPP)	13,987	4,644	18,631	18,631	-	847	17,784	17,784
Disabled Students Programs and Services	509,392	48,575	557,967	548,968	-	-	548,968	548,968
Extended Opportunity Program and Services	507,801	32,698	540,499	507,801	-	256,558	251,243	251,243
Financial Aid Technology	48,274	48,374	96,648	96,648	-	96,648	-	-
Foster Care Education	132,052	84,432	216,484	216,484	-	23,855	192,629	192,629
Guided Pathways Program	89,721	294,409	384,130	89,721	-	89,721	-	
Innovation & Effectiveness	-	137,480	137,480	137,480	-	-	137,480	137,480
Instruction Equipment (one time)	-	174,502	174,502	66,939	-	-	66,939	66,939
Lottery Prop 20	235,320	503,427	738,747	927,922	100,146	647,382	380,686	93,276
Mental Health Services	66,710	877	67,587	67,587	-	-	67,587	67,587
Nursing Enroll Growth	210,200	-	210,200	210,000	-	46,755	163,245	163,245
Student Success Completion	513,910	2,000	515,910	513,910	-	-	513,910	513,910
Staff Diversity - Equal Employment Opportunity	50,000	54,381	104,381	50,000	-	50,000	-	-
Strong Workforce Program	1,529,860	2,019,519	3,549,379	1,902,096	-	1,064,185	837,911	837,911
Strong Workforce Regional Venture	813,090	1,222,062	2,035,152	272,964	43,990	-	316,954	316,954
Student Equity & Achievement Program	3,084,435	2,667,207	5,751,642	5,751,642	-	3,715,926	2,035,716	2,035,716
Student Hunger @ Community College	-	15,195	15,195	15,195	-	15,140	55	55
Veterans Resource Center	-	37,568	37,568	-	-	-	-	-
Total State Categorical Aid Programs	$ 8,966,383	$ 8,273,485	$ 17,239,868	$ 12,788,928	$ 144,136	$ 6,753,436	$ 6,179,628	$ 5,892,218

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL AND APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
YEAR ENDED JUNE 30, 2022

Categories	Revised Annual - Factored FTES Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2019 only)			
1. Noncredit[1]	-	-	-
2. Credit	809.85	-	809.85
B. Summer Intersession (Summer 2020 - Prior to July 1, 2020)			
1. Noncredit[1]	-	-	-
2. Credit	3.94	-	3.94
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	615.64	-	615.64
(b) Daily Census Contact Hours	35.44	-	35.44
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit[1]	-	-	-
(b) Credit	125.04	-	125.04
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	4,210.81	-	4,210.81
(b) Daily Census Contact Hours	301.41	-	301.41
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	6,102.13	-	6,102.13
Supplemental Information (Subset of Above Information)			
E. In-service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
(a) Noncredit[1]	-	-	-
(b) Credit	28.12	-	28.12
CCFS 320 Addendum			
CDCP Noncredit FTES	-	-	-
Centers FTES			
(a) Noncredit[1]	-	-	-
(b) Credit	2,342.39	-	2,342.39

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

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF 50 PERCENT LAW CALCULATION
YEAR ENDED JUNE 30, 2022

		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	$ 10,729,751	$ -	$ 10,729,751	$ 10,729,751	$ -	$ 10,729,751
Instructional Salaries - Other	1300	6,725,738	-	6,725,738	6,734,018	-	6,734,018
Total Instructional Salaries		17,455,489	-	17,455,489	17,463,769	-	17,463,769
Non-Instructional Salaries - Contract or Regular	1200	-	-	-	3,352,024	-	3,352,024
Non-Instructional Salaries - Other	1400	-	-	-	454,739	-	454,739
Total Non-Instructional Salaries		-	-	-	3,806,763	-	3,806,763
Total Academic Salaries		17,455,489	-	17,455,489	21,270,532	-	21,270,532
Classified Salaries							
Non-Instructional Salaries - Regular Status	2100	-	-	-	8,544,926	-	8,544,926
Non-Instructional Salaries - Other	2300	-	-	-	448,938	-	448,938
Total Non-Instructional Salaries		-	-	-	8,993,864	-	8,993,864
Instructional Aides - Regular Status	2200	744,534	-	744,534	744,534	-	744,534
Instructional Aides - Other	2400	131,904	-	131,904	131,904	-	131,904
Total Instructional Aides		876,438	-	876,438	876,438	-	876,438
Total Classified Salaries		876,438	-	876,438	9,870,302	-	9,870,302
Employee Benefits	3000	9,636,043	-	9,636,043	16,611,546	-	16,611,546
Supplies and Materials	4000	-	-	-	-	-	-
Other Operating Expenses	5000	263,803	-	263,803	5,782,615	-	5,782,615
Equipment Replacement	6420	-	-	-	59,708	-	59,708
Total Expenditures Prior to Exclusions		28,231,773	-	28,231,773	53,594,703	-	53,594,703
Exclusions							
Activities to Exclude							
Instructional Staff–Retirees' Benefits and Retirement Incentives	5900	-	-	-	(13)	-	(13)
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-instructional Staff-Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	154,038	-	154,038
Lottery Expenditures							
Academic Salaries	1000	1,070,643	(1,070,643)	-	-	1,070,643	1,070,643
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		1,070,643	(1,070,643)	-	154,025	1,070,643	1,224,668
Total for ECS 84362, 50% Law		27,161,130	1,070,643	28,231,773	53,440,678	(1,070,643)	52,370,035
Percent of CEE (Instructional Salary Cost/Total CEE)		50.82%	3%	53.91%	100%	0%	100%
50% of Current Expense of Education					26,720,339	(535,322)	26,720,339

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
YEAR ENDED JUNE 30, 2022

Activity Classification	**Object Code**				**Unrestricted**
EPA Proceeds:	8630				$ 13,998,444
Activity Classification	**Object Code**	**Salaries and Benefits (1000-3000)**	**Operating Expenses (4000-5000)**	**Capital Outlay (6000)**	**Total**
Instructional Activities	0100-5900	$ 13,998,444	$	$	$ 13,998,444
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total Expenditures for EPA*		$ 13,998,444	$ -	$ -	13,998,444
Revenue less Expenditures					-
*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.					

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2022

Unrestricted General Fund Balance	$ 33,196,719
Restricted General Fund Balance	2,609,313
Bond Interest and Redemption Fund Balance	18,995,267
Capital Projects Fund Balance	5,882,477
Revenue Bond Construction	82,433,216
Child Development Fund Balance	89,355
Internal Service Fund Balance (Retiree Benefits)	768,540
Associated Students Fund Balance	243,291
Investment Trust Fund - OPEB	4,924,268
Student Center Fee Fund Balances	261,710
Student Financial Aid and Trust Fund Balance	(563,556)
Total fund balances as reported on the Annual Financial and Budget Report (CCFS-311)	148,840,600
Bank Funds - Included in financial statements but not on CCFS-311	(14,937)
Restricted General Fund Balance - Included in financial statements but not on CCFS-311	1,735,244
Total Ending Fund Balance	$ 150,560,907
Business Type Activity Funds	$ 145,636,639
Fiduciary Funds - OPEB Trust	4,924,268
Adjusted Total Ending Fund Balance	$ 150,560,907

See accompanying Note to Supplementary Information.

SOLANO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2022

Total Fund Balances as Reported on the Annual Financial and Budget Report (CCFS-311) - Business Type Activity Funds	$ 145,636,639
Cash with fiscal agent for crossover refunding bonds.	62,000,266
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.	163,408,275
Deferred outflows associated with advanced refunding of debt increases total net position reported.	11,390,696
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.	823,416
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.	9,339,114
Liabilities related to bonds and leases 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.	(440,660,527)
The liability of employers and nonemployers contributing to employees for benefits provided through a defined benefit pension plan is recorded as net pension liabilities.	(30,362,414)
Deferred inflows associated with advanced refunding of debt increases total net position reported.	(489,641)
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.	(2,141,451)
Deferred inflows of resources associated with pensions result from actuarially determined adjustments. These amounts will be amortized to pension expense in subsequent periods.	(23,441,343)
The liability associated with other postemployment retirement benefits, is recognized as a liability, which reduces the total net position reported.	(7,673,982)
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.	(216,348)
Total Net Position	$ (112,387,300)

See accompanying 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, 2022.

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 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. 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. No federal financial assistance has been provided to a subrecipient.

The following schedule provides 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, 2022.

Program Name	Federal Assistance Listing Number	Amount
Federal Revenues per Statement of Revenues, Expenditures, and Changes in Net Position Primary Government:		
Operating Federal Revenues		$ 1,162,988
Nonoperating Federal Revenues		18,105,059
Total Federal Revenues		19,268,047
William D. Ford Direct Loan Program	84.268	751,965
		$ 20,020,012

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Expenditures of Federal Awards (Continued)

Summary of Significant Accounting Policies (Continued)

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 did not use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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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
January 30, 2023

CliftonLarsonAllen LLP
CLAconnect.com

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

Qualified and Unmodified Opinions

We have audited Solano Community College District's 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 Solano Community College District's major federal programs for the year ended June 30, 2022. Solano Community College District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Solano Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Solano Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

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.

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Basis for Qualified and Unmodified Opinions (Continued)

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 compliance for each major federal program. Our audit does not provide a legal determination of Solano Community College District's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act – Institutional Portion

As described in the accompanying schedule of findings and questioned costs, Solano Community College District did not comply with requirements regarding Assistance Listing No. 84.425F COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act – Institutional Portion as described in finding numbers 2022-005 for unallowable costs.

Compliance with such requirements is necessary, in our opinion, for Solano Community College District to comply with the requirements applicable to that program.

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 2022-001, 2022-003, and 2022-004. 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-005 to be a material weaknesses.

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 2022-001, 2022-002, 2022-003, 2022-004 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
January 30, 2023

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 *2021-22 Contracted District Audit Manual,* published by the California Community Colleges Chancellor's Office for the fiscal year ended June 30, 2022. 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, 2022.

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 *2021-22 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 *2021-22 Contracted District Audit Manual*.

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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 *2021-22 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 *2021-22 Contracted District Audit Manual* as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 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 *2021-22 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 Center 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
499	COVID-19 Response Block Grant Expenditures	Not applicable

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 *2021-22 Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
January 30, 2023

FINDINGS AND QUESTIONED COSTS

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? __x__ yes ______ no
   - Significant deficiency(ies) identified? __x__ yes ______ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified - Student Financial Assistance Cluster;

   Qualified - COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act

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
84.425E and 84.425F	COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act

Dollar threshold used to distinguish between Type A and Type B programs: Type A - $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* for the year ended June 30, 2022.

Section III – Findings and Questioned Costs – Major Federal Programs

U.S. Department of Education
2022-001: NSLDS Enrollment Reporting
Federal Agency: U.S. Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.268
Federal Award Identification Number and Year: P007A210605- 2022; P033A210605- 2022; P063P211182- 2022; P268K221182- 2022
Award Period: July 1, 2021 through June 30, 2022
Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or specific requirement: In accordance with 34 CFR 685.309(b) 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. 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: During our testing of 40 students, which is a statistically valid sample, we noted 7 instances of late reporting of student status changes, 4 instances where the effective date of a student status change was improperly reported at the campus-level record, 10 instances where the effective date of a student status change was improperly reported at both the campus-level and program-level record, and 1 instance where student's was not reported for Fall 2021 at both the campus-level and program-level records.

Questioned costs: None.

Context: Twenty-eight exceptions were noted out of the 40 students tested, which is a statistically valid sample.

Cause: The District's internal controls were not designed to detect the errors.

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 2021-005

Recommendation: We recommend the District review its report procedures to ensure that the enrollment and program information is accurately reported to NSLDS as required by regulations.

Views of responsible officials: Management concurs with the finding and plans to correct the finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

U.S. Department of Education
2022-002: Student Eligibility and Awarding
Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.268 – Federal Direct Student Loans
Federal Award Identification Number and Year: P268K221182- 2022
Award Period: July 1, 2021 through June 30, 2022
Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: The Code of Federal Regulations, 34 CFR 685.203(a) outline the maximum subsidized loan amounts for students based on their dependency status, year of education, and other factors. 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: During our testing, we noted 1 instance out of 40 students tested at the College where the Unsubsidized Stafford Loan awarded to the student was less than the maximum amount they were eligible for.

Questioned Costs: For the instances identified, each student was under awarded $1,000.

Context: The College awarded $751,965 in Direct Loans during the year.

Cause: Typographical error based on the department staff member using the values on the student's loan request form.

Effect: For the instance identified, the student was under awarded the unsubsidized portion of the Stafford Loan.

Repeat Finding: This was not a finding in the prior year.

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

Views of responsible officials: Management concurs with the finding and plans to correct the finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

U.S. Department of Education
2022-003: Student Eligibility and Awarding

Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.063
Federal Award Identification Number and Year: P063P211182- 2022
Award Period: July 1, 2021 to June 30, 2022
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 College awarded an incorrect Pell award amount for this student one out of the 40 students tested, which is a statistically valid sample.

Questioned costs: $18,912

Context: The College awarded $6,756,956 in Pell Grant during the year.

Cause: The overpayment of Pell Grant was due to the College not using information updating 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 College implements a process that will ensure all Title IV funds are awarded at proper amounts.

Views of responsible officials: Management concurs with the finding and plans to correct the finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

U.S. Department of Education
2022-004: 240 Days Outstanding Check

Federal Agency: Department of Education
Federal Program Name: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.268
Federal Award Identification Number and Year: P007A210605- 2022; P033A210605- 2022; P063P211182- 2022; P268K221182- 2022
Award Period: July 1, 2021 to June 30, 2022
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 3 outstanding checks payable to students for Title IV awards that were not returned to the Department of Education within the 240 day prescribed timeframe.

Questioned Costs: $2,265

Context and Cause: The District’s existing policies and procedures did not ensure compliance with the applicable criteria.

Effect: The checks identified resulted in noncompliance with the Title IV regulation.

Repeat Finding: This was not a finding in the prior year.

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.

Views of responsible officials: Management concurs with the finding and plans to correct the finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

U.S. Department of Education
2022-005: Unallowable Costs

Federal Agency: Department of Education
Federal Program: COVID-19 Higher Education Emergency Relief Funds (HEERF)/Coronavirus Aid, Relief and Economic Security (CARES) Act – Institutional Portion
Assistance Listing Number: 84.425F
Federal Award Identification Number and Year: P425F204159 - 2022
Award Period: July 1, 2021 to June 30, 2022
Type of Finding: Material Weakness in Internal Control over Compliance and Material Noncompliance

Criteria: The Uniform Guidance Cost Principles described in 2 CFR Part 200, Subpart E, apply to the HEERF subprogram. Institutions generally have broad uses of funds. Some items of cost in Subpart E of the Uniform Guidance require prior approval under 2 CFR section 200.407 by ED. However, in its HEERF II FAQs published on January 14, 2021, and HEERF III FAQs published on May 11, 2021, ED waived prior approval for certain items of cost (as described in questions 20 and 45, respectively). Specifically, the HEERF grant funds must not be used for construction or purchase of real property. 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 used grants fund for construction costs that were identified as delays, labor rate escalation and supply chain issues related to COVID-19.

Questioned Costs: $614,352

Context: The District expended $5,888,620 in HEERF – Institutional Portion funds for direct costs, lost revenue and bad debt write off during the fiscal year.

Cause: Costs were identified on invoices and changes orders as COVID-19 related. The District had interpreted delayed costs related to COVID-19 as allowable.

Effect: Noncompliance with allowable cost principles.

Repeat Finding: This was not a finding in the prior year.

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

Views of responsible officials: Management concurs with the finding and plans to correct the finding.

Section IV – Findings and Questioned Costs – State Award

There were no findings and questioned costs required to be reported per the *2021-22 Contracted District Audit Manual* for the fiscal year ended June 30, 2022.

SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
AND QUESTIONED COSTS
JUNE 30, 2022

FINDINGS—FINANCIAL STATEMENT AUDIT

Finding 2021-001: Capital Assets

Recommendation: Create and maintain a detailed historical data base of the District's assets. The District may want to consider engaging a third party to perform a physical inventory and create the historical data base.

Current Status: Implemented.

FINDINGS—FEDERAL AWARDS PROGRAM AUDITS

Finding 2021 – 002: Gramm-Leach-Bliley Act – Student Information Security

Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.26

Recommendation: We recommend that the District engage a third party to perform the risk assessment for the three required areas as required by the Gramm-Leach-Bliley Act and ensure that there are documented safeguards for identified risks.

Current Status: Implemented.

Finding 2021 – 003: Return of Title IV Funds

Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: 84.063, 84.268

Recommendation: We recommend the College review the R2T4 requirements and implement procedures to ensure compliance with the applicable Title IV regulations.

Current Status: Implemented.

Finding 2021 – 004: Exit Counseling

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

Recommendation: We recommend the College review its policies and procedures around sending exit counseling information to students to ensure students are receiving proper counseling and that documentation of letters sent is maintained as required by regulations.

Current Status: Implemented.

Finding 2021 – 005: NSLDS Enrollment Reporting
Federal agency: U.S. Department of Education
Federal program title: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.268

Recommendation: We recommend the District review its reporting procedures to ensure that enrollment and program information is accurately reported to NSLDS as required by regulations.

Current Status: Not implemented. See Finding 2022-001.

Finding 2021 – 006: Reporting
Federal agency: U.S. Department of Education
Federal program title: COVID-19 Higher Education Emergency Relief Fund
Assistance Listing Number: 84.425E, 84.425F

Recommendation: We recommend the College review its reporting procedures and put a process in place to ensure compliance with the HEERF reporting requirements as required by regulations.

Current Status: Implemented.

Finding 2021 – 007: Procurement and Suspension and Debarment
Federal agency: U.S. Department of Education
Federal program title: COVID-19 Higher Education Emergency Relief Fund
Assistance Listing Number: 84.425F

Recommendation: We recommend the District update its purchasing policy and procedures to ensure compliance with the procurement and suspension and debarment standards as required by federal regulations.

Current Status: Implemented.

Finding 2021 – 008: Allowable Costs/Cost Principles - Indirect Costs
Federal agency: U.S. Department of Education
Federal program title: COVID-19 Higher Education Emergency Relief Fund
Assistance Listing Number: 84.425F

Recommendation: We recommend the District review the institution's approved negotiated indirect cost rate and implement procedures to ensure compliance with federal regulations.

Current Status: Implemented.

Finding 2021 – 009: Reporting
Federal agency: U.S. Department of the Treasury
Federal program title: COVID-19 Coronavirus Relief Fund – COVID-19 Response Block Grant
Assistance Listing Number: 21.019

Recommendation: We recommend the College review its reporting procedures and put a process in place to ensure compliance with the CRF reporting requirement as required by regulations.

Current Status: The District no longer receives this grant.

FINDINGS—STATE AWARDS

There were no findings and questioned costs related to state awards for the year ended June 30, 2021.

Solano Community College District respectfully submits the following Corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021 – June 30, 2022

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, 2022.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS
U.S. Department of Education
2022-001: Student Financial Assistance Cluster – NSLDS Enrollment Reporting – Assistance Listing Number: 84.007, 84.033, 84.063, 84.268

Recommendation: We recommend the District review its report procedures to ensure that the enrollment and program information is accurately reported to NSLDS as required by regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Repeat finding was unavoidable as we were unaware we were out of compliance until we were over half-way through the current year (21-22). Alysa Borelli, Dean of Enrollment Services contacted the National Student Clearinghouse (NSC) for guidance on what was causing our NSDLS errors and since has restructured when Solano is supposed to report to NSC. Solano has not been reporting in the correct part of the month for the NSDLS roster to pick up an accurate enrollment snapshot, which is the root cause of all of the findings under this header. Solano has received updated training for all staff who are responsible for submitting to NSC. Additionally, the staff member that used to submit who was not submitting at the correct time as removed from this task and replaced. Solano will be following the new protocols starting with Spring 2023 semester and does not expect this to be a repeat finding. It was known that 2nd year findings were unavoidable.

Name(s) of the contact person(s) responsible for corrective action: Alysa Borelli, Dean of Enrollment and Student Services.

Planned completion date for corrective action plan: All training and adjustments to our processes was completed in December 2022.

U.S. Department of Education
<u>2022-002: Student Financial Assistance Cluster – Student Eligibility and Awarding – Assistance Listing Number: 84.268</u>

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

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: This issue was discovered during the audit process, and we performed the following activities in response:

- We consulted with the auditing team's national resource about the proper way to correct this award. Implemented by August 2022.
- Following their guidance, we corrected the student's awards so that the appropriate amount of sub and unsub were in place and then re-ran her R2T4 calculation to make sure everything was correct in our system and on COD. Implemented by September 2022
- We conducted a review of our other Direct Loan awards, and found that this incident was an isolated manual mistake, not a systemic one. Implemented by August 2022
- Although the person responsible for this error is no longer employed in the financial aid department, we have done training with the current Direct Loan coordinator to reduce the likelihood of this mistake in the future. Implemented by August 2022
- We modified the Direct Loan procedure log to include a reminder about this regulation. Implemented by August 2022

Name(s) of the contact person(s) responsible for corrective action: Alysa Borelli, Dean of Enrollment and Student Services.

Planned completion date for corrective action plan: The corrective action plan was implemented by September 2022.

U.S. Department of Education
<u>2022-003: Student Financial Aid Cluster – Student Eligibility and Awarding – Assistance Listing Number: Various</u>

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

Action taken in response to finding: This student was awarded an incorrect amount because a subsequent ISIR transaction was received but the Pell was not recalculated on the basis of the new information. After this discovery, we have taken the following actions in response:

- We examined our ISIR import process to make sure that our means of communicating locked transactions was functioning correctly. We found that our system for monitoring new transactions was deficient; if a set of conditions were aligned, a new transaction could slip by our notice. Implemented by August 2022.
- We added another layer of review wherein the output of both the messages we receive from our third-party verification partner and our internal reports associated with importing ISIRS are examined on a regular basis. New transactions on students with a current locked transaction are reported to staff members for further review. Implemented by August 2022.

- We wrote an ad hoc report that allows us to identify subsequent ISIR transactions and will run it regularly to reduce the likelihood of this issue occurring again. Implemented by August 2022.

Name(s) of the contact person(s) responsible for corrective action: Alysa Borelli, Dean of Enrollment and Student Services.

Planned completion date for corrective action plan: The corrective action plan was implemented by August of 2022.

U.S. Department of Education
<u>2022-004: Student Financial Assistance Cluster – 240 Days Outstanding Check – Assistance Listing Number: Various</u>

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.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: During the 2021-22 aid year, the financial aid and fiscal services departments have been working hard together to clean up and streamline the process by which we handle stale-dated “financial aid checks” (Title-IV funds processed through BankMobile) as well as “student refund checks” (non-Title IV funds processed through our district office). In our review, we found that three students had Title IV aid incorrectly processed as “student refund checks” whose initial disbursement date was more than 240 days before the date of discovery. As a result, we reported those checks to the auditors when asked for outstanding Title IV checks.

We have taken the following actions in response to this item:

- We have developed a “Time Out / Reversal” workgroup that includes members of both the financial aid and fiscal services department to ensure that reissuance of checks does not occur automatically (pre-existing, but this workgroup allows us to address this issue).
- We have trained the workgroup members specifically on the importance of the 240 day limit. Implemented by September 2022.
- We continue to improve the communication between the financial aid and fiscal services. department. We currently hold meetings every two weeks to bring up any common issues and solve problems related to the administration. Implemented by September 2022.

Name(s) of the contact person(s) responsible for corrective action: Alysa Borelli, Dean of Enrollment and Student Services.

Planned completion date for corrective action plan: The corrective action plan was implemented by August of 2022.

U.S. Department of Education
2022-005: Unallowable Costs – 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.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The unallowable expenses in the HEERF grant will be transferred out of the grant expenses in the 2022-23 fiscal year.

Name(s) of the contact person(s) responsible for corrective action: Susan Wheet, VP of Finance and Administration

Planned completion date for corrective action plan: The corrective action plan will be implemented by August of 2022.

FINDINGS—STATE AWARDS AUDIT

There were no findings and questioned costs related to state awards for the fiscal year ended June 30, 2022.

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, 2021.

Audit period: July 1, 2020 – June 30, 2021

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
MATERIAL WEAKNESS

2021-001: Capital Assets

Condition: The District does not have a detailed capital asset listing to support the historical cost and accumulated depreciation for the property and equipment included in the financial statements. The District had implemented a capital assets software during the fiscal year. Although additions since the implementation are detailed, historical information prior to the implementation were recognized as beginning balances by assets type. Detailed information had once existed in the previous software; however; these records are no longer accessible. We were unable to audit the beginning balance and the appropriateness of current year depreciation as of June 30, 2021. The effect on the District's financial statements and disclosures due to the above omissions cannot be readily determined. As a result, the opinion on the financial statements has been modified.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Education

2021-002: Gramm-Leach-Bliley Act – Student Information Security

Condition: Under an institution's Program Participation Agreement with the ED and the Gramm-Leach-Bliley Act, institutions must protect student financial aid information, with particular attention to information provided to institutions by ED or otherwise obtained in support of the administration of the federal student financial aid programs.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

U.S. Department of Education

2021-003: Return of Title IV Funds

Condition: During our testing of R2T4 calculations, we noted that the College did not determine the withdrawal date within 30 days of the end of the period of enrollment for 9 out of the 40 students tested, which is a statistically valid sample.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

U.S. Department of Education
2021-004: Exit Counseling
Condition: During our audit procedures, we noted that the College did not notify students of the requirement to complete exit counseling within 30 days of the date the institution determined that the student withdrew for 1 out of the 40 students tested, which is a statistically valid sample.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

U.S. Department of Education
2021-005: NSLDS Enrollment Reporting
Condition: During our testing of 40 students, which is a statistically valid sample, we noted 7 instances of late reporting of student status changes, 7 instances of improper student status reporting at the campus-level and program-level, 11 instances where the effective date of a student status change was improperly reported at the campus-level record, 2 instances where the effective date of a student status change was improperly reported at both the campus-level and program-level record, and 1 instance where the program begin date was not properly reported to the NSLDS system.

Status: Partially implemented. See current year finding 2022-001. Repeat finding was unavoidable as we were unaware we were out of compliance until we were over half-way through the current year (21-22). Alysa Borelli, Dean of Enrollment Services contacted the National Student Clearinghouse (NSC) for guidance on what was causing our NSDLS errors and since has restructured when Solano is supposed to report to NSC. Solano has not been reporting in the correct part of the month for the NSDLS roster to pick up an accurate enrollment snapshot, which is the root cause of all of the findings under this header. Solano has received updated training for all staff who are responsible for submitting to NSC. Additionally, the staff member that used to submit who was not submitting at the correct time as removed from this task and replaced. Solano will be following the new protocols starting with Spring 2023 semester and does not expect this to be a repeat finding. It was known that 2nd year findings were unavoidable.

U.S. Department of Education
2021-006: Reporting
Condition: During our audit procedures, we noted 2 institutional quarterly reports (January 1st – March 31st, 2021 and April 1st – June 30, 2021), which is a statistically valid sample, were not submitted within 10 days after the end of each calendar quarter. In addition, we noted 2 student aid quarterly reports (January 1st – March 31st, 2021 and April 1st – June 30, 2021), which is a statistically valid sample, were not posted to the College's website.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

U.S. Department of Education
2021-007: Procurement and Suspension and Debarment
Condition: During our audit procedures, we noted that the District's purchasing policy was not updated to meet the required procurement and suspension and debarment standards contained in the Uniform Guidance.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

U.S. Department of Education
2021-008: Allowable Costs/Cost Principles - Indirect Costs
Condition: During our audit procedures, we noted that $94,210 of equipment purchased over $5,000 and rental costs of $11,955 were included in the indirect cost calculation when they should have been excluded from the base during the year ending June 30, 2021. In addition, the District claimed indirect costs of $60,833 during the year ending June 30, 2021 based on $198,155 of HEERF expenditures incurred during the year ending June 30, 2020, which is unallowable.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

U.S. Department of the Treasury
2021-009: Reporting
Condition: During our audit procedures, we noted the 1 quarterly financial progress report due during the year was not submitted within the required timeframe as mentioned in the criteria above.

Status: The corrective action plan was implemented during the fiscal year 2021-22.

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.

Global
INDEPENDENT
NETWORK MEMBER

CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

December 19, 2023

Governing Board
Solano Community College District

Members of the Governing Board:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $30,000,000 Solano Community College District (Solano and Yolo Counties, California) Election of 2012 General Obligation Bonds, Series F (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Section 53506 *et seq*., a fifty-five percent (55%) or more vote of the qualified electors of the Solano Community College District (the "District") voting at an election held on November 6, 2012, and a resolution adopted by the Governing Board of the District on October 18, 2023 (the "Resolution").

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

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will

accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond.

6. The amount by which a Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which may be amortized under the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Solano Community College District (the "District") in connection with the issuance of $30,000,000 Solano Community College District (Solano and Yolo Counties, California) Election of 2012 General Obligation Bonds, Series F (the "Bonds"). The Bonds are being issued pursuant to the Resolution adopted by the Governing Board of the District on October 18, 2023. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Willdan Financial, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"Holders" shall mean the registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated November 16, 2023, and relating to the Bonds.

"Participating Underwriters" shall mean Piper Sandler & Co. and RBC Capital Markets, LLC or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean, the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2022-23 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(i) State funding received by the District for the last completed fiscal year;

(ii) FTES of the District for the last completed fiscal year;

(iii) outstanding District indebtedness;

(iv) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year; and

(v) assessed valuation of taxable property within the District for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, as prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled Bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the District to the undertaking herein provided.

Dated: December 19, 2023

SOLANO COMMUNITY COLLEGE DISTRICT

By: ____________________________________
Vice President, Finance and Administration

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: SOLANO COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2012 General Obligation Bonds, Series F

Date of Issuance: December 19, 2023

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

SOLANO COMMUNITY COLLEGE DISTRICT

By ______[form only; no signature required]_________

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITIES OF FAIRFIELD AND VALLEJO AND SOLANO COUNTY

The following information concerning the City of Fairfield ("Fairfield"), the City of Vallejo ("Vallejo," and together with Fairfield, the "Cities") and Solano County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

The City of Fairfield. Fairfield is located within the canter and western portions of the County and lies equidistant from the cities of San Francisco and Sacramento, approximately 38 miles from the centers of each. It is 37 square miles in area. Fairfield was incorporated in 1892 and has a council-manager form of government. Fairfield is the County seat and has the second-largest population of any city in the County, after Vallejo. The basis for much of Fairfield's economy lies in light manufacturing, as well as Travis Air Force Base.

The City of Vallejo. Vallejo is the largest city in the County in both population and area, as its nearly 49 square miles of area are nestled in the southwestern corner of the County, at the junction of the Napa River with Suisun Bay and San Pablo Bay. Its location places it closer to San Francisco, which is about 32 miles away, than Sacramento, which is approximately 47 miles away. Vallejo operates under a council-manager government and has served briefly as the State of California capital twice.

Solano County. The County is one of the nine counties which constitute the greater metropolitan San Francisco Bay Area and one of the counties that originally formed when California achieved statehood in 1850. It lies between the cities and counties of San Francisco and Sacramento, located approximately 45 miles northeast of the former and 45 miles southwest of the latter. The County encompasses over 909 square miles, with 829 square miles of that being on land. Five other counties border the County, with Napa and Yolo Counties to the northwest and Contra Costa and Sacramento.

The majority of the land of the County is used for agricultural purposes, with half of that land being used for irrigated agriculture. Agriculture is naturally a major component of the County's economy, leaving the County as a major producer of livestock including cattle and sheep, nursery stock, tomatoes, hay, grapes, walnuts and corn.

The County is a general law county governed by a five-member Board of Supervisors each serving four year terms. In addition to serving its unincorporated areas, there are seven jurisdictions that are served by the County: the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo.

Population

The following table below shows ten years of historical population figures for the Cities, the County and the State.

POPULATION ESTIMATES
2014 through 2023
Cities of Fairfield and Vallejo, Solano County and State of California

Year[1]	City of Fairfield	City of Vallejo	Solano County	State of California
2014	110,508	117,675	423,383	38,556,731
2015	111,889	118,298	426,849	38,865,532
2016	112,961	118,493	430,315	39,103,587
2017	115,151	118,865	435,186	39,352,398
2018	116,067	118,685	436,813	39,519,535
2019	116,885	118,535	438,205	39,605,361
2020[2]	120,506	125,791	453,491	39,538,223
2021	119,729	124,504	449,116	39,286,510
2022	119,054	123,154	445,881	39,078,674
2023	119,526	121,658	443,749	38,940,231

(

[1] As of January 1.
[2] U.S. Department of Commerce, Bureau of the Census, for April 1.
Source: California Department of Finance.

Income

The following table summarizes per capita personal income for the County, the State and the United States for the past 10 years that statistics are currently available.

PER CAPITA PERSONAL INCOME
2013 through 2022
Solano County, State of California and the United States

Year	San Bernardino County	State of California	United States
2013	$40,147	$48,502	$44,798
2014	41,431	51,266	46,887
2015	43,831	54,546	48,725
2016	45,652	56,560	49,613
2017	46,866	58,804	51,550
2018	48,781	61,508	53,786
2019	51,819	64,919	56,250
2020	58,406	70,643	59,765
2021	65,448	76,800	64,143
2022	N/A	77,339	N/A

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Commercial Activity

Summaries of annual taxable sales for the Cities and the County from 2015 through 2019 are shown in the following tables.

ANNUAL TAXABLE SALES
2018 through 2022
City of Fairfield
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2018	1,594	1,360,463	2,528	1,992,380
2019	1,631	1,327,134	2,610	2,058,847
2020	1,786	1,275,233	2,876	1,920,581
2021	1,680	1,569,006	2,711	2,320,891
2022	1,724	1,657,114	2,792	2,576,538

(1) Preliminary, subject to change.
Source: Taxable Sales in California, California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2018 through 2022
City of Vallejo
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2018	1,689	1,125,953	2,547	1,307,903
2019	1,675	1,118,795	2,599	1,313,754
2020	1,918	1,060,344	2,997	1,239,322
2021	1,861	1,236,914	2,901	1,515,560
2022	1,878	1,249,350	2,931	1,537,302

(1) Preliminary, subject to change.
Source: Taxable Sales in California, California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2018 through 2022
Solano County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2018	6,412	5,223,911	10,255	7,881,172
2019	6,490	5,278,624	10,539	8,251,272
2020	6,996	5,511,263	11,553	8,259,715
2021	6,598	6,414,957	11,000	9,733,516
2022	6,709	6,656,251	11,253	10,378,190

Source: Taxable Sales in California, California Department of Tax and Fee Administration.

Employment

The following table summarizes the labor force, employment and unemployment figures for the Cities, the County and the State from 2018 through 2022.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE
2018 through 2022
Cities of Fairfield and Vallejo, Solano County and State of California

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate %
2018	City of Fairfield	53,500	51,500	2,000	3.7
	City of Vallejo	56,700	54,200	2,500	4.5
	Solano County	209,100	200,800	8,300	3.9
	State of California	19,289,500	18,469,900	819,600	4.2
2019	City of Fairfield	53,400	51,500	2,000	3.7
	City of Vallejo	56,300	53,900	2,400	4.2
	Solano County	208,500	200,600	7,900	3.8
	State of California	19,413,200	18,617,900	795,300	4.1
2020	City of Fairfield	52,000	47,100	4,900	9.5
	City of Vallejo	55,200	48,800	6,400	11.6
	Solano County	202,200	182,500	19,700	9.8
	State of California	18,971,600	17,047,600	1,924,000	10.1
2021	City of Fairfield	51,600	47,900	3,700	7.2
	City of Vallejo	54,400	49,600	4,700	8.7
	Solano County	200,700	185,800	14,900	7.4
	State of California	18,973,400	17,586,300	1,387,100	7.3
2022	City of Fairfield	52,100	50,000	2,100	4.1
	City of Vallejo	54,300	51,800	2,500	4.
	Solano County	202,300	193,800	8,500	4.2
	State of California	19,252,000	18,440,900	811,100	4.2

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2022 Benchmark.

Industry

The following table summarizes the average annual industry employment in the County from 2018 through 2022.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES[(1)]
2018 through 2022
Solano County

	2018	2019	2020	2021	2022
Total Farm	1,700	1,500	1,500	1,600	1,700
Mining, Logging and Construction	11,800	12,800	11,500	11,900	12,600
Manufacturing	10,900	11,100	10,900	10,900	11,200
Wholesale Trade	4,400	4,400	4,100	4,000	4,100
Retail Trade	18,700	17,800	16,700	17,500	17,600
Transportation, Warehousing and Utilities	4,800	4,800	4,900	5,200	5,400
Information	1,100	1,200	800	800	900
Financial Activities	5,200	5,100	5,000	4,800	4,800
Professional and Business Services	10,100	10,200	9,700	10,400	10,900
Private Education and Health Services	28,400	29,000	27,900	27,600	28,600
Leisure and Hospitality	15,600	16,100	12,300	13,600	15,700
Other Services	4,500	4,700	4,000	4,200	4,500
Government	24,900	24,800	23,400	22,900	23,500
Total All Industries	142,000	143,400	132,800	135,400	141,400

(1) Annual averages, unless otherwise specified.
Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2022 Benchmark.

Principal Employers

The following tables list the principal employers located in the Cities and the County.

PRINCIPAL EMPLOYERS
As of June 30, 2022
City of Fairfield

Employer Name	Employees
Travis Air-Force Base	13,414
County of Solano	2,633
Fairfield-Suisan Unified School District	2,213
Northbay Medical Center	1,969
Solano Community College(1)	750
Partnership HealthPlan	561
City of Fairfield	553
Jelly Belly Candy Co.	489
Sutter Regional Medical Foundation	475
Westamerica Bancorporation	418

(1) For updated information regarding the District's employees, see "SOLANO COMMUNITY COLLEGE DISTRICT – Labor Relations" in the front part of this Official Statement.
Source: "Annual Comprehensive Financial Report" of the City of Fairfield, California, for Fiscal Year Ended June 30, 2022.

PRINCIPAL EMPLOYERS
As of June 30, 2022
City of Vallejo

Employer Name	Employees
Kaiser Permanente Medical Center	4,043
Six Flags Discovery Kingdom	1,300
Vallejo Unified School District	1,070
Sutter Solano Medical Center	549
City of Vallejo	525
Touro University California	500
Safeway (3 Locations)	334
Costco	321
California Maritime Academy	242
Meyer Corp	--

Source: "Annual Comprehensive Financial Report" of the City of Vallejo, California, for Fiscal Year Ended June 30, 2022.

PRINCIPAL EMPLOYERS
As of June 30, 2022
Solano County

Employer Name	Employees
Travis AFB	13,100
County of Solano	3,127
Fairfield-Suisun Unified School District	2,779
NorthBay Healthcare System	2,210
Kaiser Foundation Hospitals	2,000
Vallejo Unified School District	1,694
California Medical Facility	1,557
Vacaville Unified School District	1,312
Genentech	1,100
Six Flags Discovery Kingdom	2,460
Kaiser Permanente – Vacaville	2,091

Source: "Comprehensive Annual Financial Report" of the City of Vallejo, California, for Fiscal Year Ended June 30, 2022.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2018 through 2022 for the Cities and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
City of Fairfield
(Dollars in Thousands)

	2018	2019	2020	2021	2022
Residential	$110,252	$161,659	$200,669	$121,538	$96,573
Non-Residential	43,097	57,549	56,651	56,132	79,753
Total	$153,349	$219,208	$257,320	$177,670	$176,326
Units					
Single Family	314	450	411	311	272
Multiple Family	0	56	471	7	15
Total	314	506	882	318	287

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
City of Vallejo
(Dollars in Thousands)

	2018	2019	2020	2021	2022
Residential	$39,533	$39,611	$13,958	$25,688	$110,170
Non-Residential	28,883	20,822	23,847	8,345	27,936
Total	$68,416	$60,433	$37,805	$34,033	$138,106
Units					
Single Family	58	60	25	23	21
Multiple Family	140	0	0	74	428
Total	198	60	25	97	449

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
Solano County
(Dollars in Thousands)

	2018	2019	2020	2021	2022
Residential	$310,352	$400,072	$404,232	$401,738	$413,830
Non-Residential	142,833	206,901	172,479	151,964	190,375
Total	$453,185	$606,973	$576,711	$553,702	$604,205
Units					
Single Family	962	1,147	981	909	872
Multiple Family	140	56	716	347	603
Total	1,102	1,203	1,697	1,256	1,475

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

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APPENDIX E

SOLANO COUNTY TREASURY POOL

The following information concerning the Solano and Yolo Counties Treasury Pool (the "Treasury Pool") has been provided by the Treasurer, and has not been confirmed or verified by the District or the Underwriters. The District and the Underwriters have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, none of the District or the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasurer Pool may be obtained from the Treasurer at https://www.solanocounty.com/depts/ttcc; however, the information presented on such website is not incorporated herein by any reference.

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Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #:	3	**Status:**	Consent Calendar
Type:	Report	**Department:**	Treasurer-Tax Collector-County Clerk
File #:	23-648	**Contact:**	Charles Lomeli, 784-3419
Agenda date:	8/1/2023	**Final action:**	8/1/2023
Title:	Accept the Solano County Treasurer's Quarterly Report for the period of April 1, 2023 through June 30, 2023		
Governing body:	Board of Supervisors		
District:	All		
Attachments:	1. A - Letter to the Board, 2. B - Statement of Compliance, 3. C - Investment Portfolio, 4. D - Balance Sheet, 5. E - Yield Curve C15, 6. F - Pars 115 Report		

Date	Ver.	Action By	Action	Result
8/1/2023	1	Board of Supervisors		

Published Notice Required? Yes ____ No _X_
Public Hearing Required? Yes ____ No _X_

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board accept the County Treasurer's Quarterly Report for the period of April 1, 2023 through June 30, 2023.

SUMMARY:

Submitted herein is the Treasurer's FY2022/23 Fourth Quarter Report, which contains the Treasurer's Statement of Compliance.

This report is provided for informational purposes only. All information contained in this report pertains to all county, district, agency and school district funds. This report is also available on the Treasurer's web site at www.solanocounty.com.

FINANCIAL IMPACT:

There is no financial impact in accepting this report. The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2023/24 Working Budget.

ALTERNATIVES:

The Board could elect not to accept this report at this time or request a change in content or format.

OTHER AGENCY INVOLVEMENT:

This report will be promulgated to the distribution list on the Statement of Compliance and published on the Treasurer's website.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

CHARLES LOMELI
Treasurer-Tax Collector-County Clerk
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MICHAEL COOPER
Assistant Treasurer-Tax Collector-County Clerk
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TREASURER-TAX COLLECTOR-COUNTY CLERK

SOLANO COUNTY

DENISE DIX
Tax Collections Manager
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ELIZABETH SUMNER
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675 Texas Street, Suite 1900
Fairfield, CA 94533-6342
(707) 784-7485
Treasurer (707) 784-6295
Fax (707) 784-6311

August 1, 2023

The Honorable Members of the Board of Supervisors
County of Solano County
675 Texas Street, Suite 6500
Fairfield CA 94533

Honorable Members of the Board:

It is my pleasure to present the quarterly report for the fourth quarter of FY2022/23.

State of the Treasury

The $2.1 billion Treasurer's pool is managed in accordance with the tenets of California Government Code §53600.5 to provide for the safety of principal, adequate liquidity for all anticipated cash flow requirements, and a consistent rate of return commensurate with the established risk profile. The $694.8 million currently held in cash and investments with six months or less left to maturity should provide adequate funding for all anticipated cash needs, while also affording the Treasury an opportunity to invest excess liquidity at higher rates.

The treasury pool is maintained with a duration designed to stabilize yields consistent with the risk profile established by the Treasurer. The treasury pool is also diversified from a credit risk perspective by maintaining a mix of investments that includes 11.4% in cash and cash equivalents, 14.8% in US Treasuries, 63.2% in Government Sponsored Enterprises, 5.1% in US Corporations, and 4.6% in Municipals; with the balance of 0.9% held in a variety of assets including mutual funds, commercial paper, and other holdings allowable under §53600.5.

Current Market Conditions Impacting the Treasury Pool

Treasury managers monitor information provided by the Federal Reserve; its actions and information impact the interest rates at the short end of the curve where nearly all the treasury pool investments are made. Due to rising inflation in the economy that began many months ago, the Federal Open Market Committee (FOMC) which is charged with maintaining stable prices began a campaign to raise interest rates incrementally in an attempt to reduce growth in the economy and cause inflation to fall.

On June 14, 2023, following several increases to the Federal Funds Rate, the FOMC paused and did not increase the federal funds rate to assess additional information and implications for monetary policy. The funds rate lower bounds is 5 percent and the upper bounds rate is 5.25 percent. The FOMC statement released on June 14, 2023 reports economic activity has continued to expand at a modest pace and job gains remain robust and unemployment low. The statement also indicated that additional policy firming may be appropriate to return inflation to 2 percent over time. Consumer Price Index (CPI) data released on July 12, 2023 is 3% which is down but above the stated FOMC target of 2 percent. The data indicates the rate of inflation is slowing but remains elevated.

The FOMC is scheduled to meet again on July 26, 2023 where the next decision to change rates will be contemplated and announced.

Attachment A

Expectations going forward

Given the FOMC statement and data provided in the Beige Book Report, employment data and CPI data, treasury managers expect interest rates on the short end of the interest rate curve to continue to increase in the coming quarter.

As investments in the pool mature and are reinvested, the yield on newly invested funds will yield higher rates of return. Higher rates of return mean the interest rate earned and apportioned to treasury pool participants will be higher in the coming quarters.

Credit quality of corporate securities will continue to be monitored as higher interest rates begin to bite into economic growth, and investments will continue to be diversified to mitigate risk.

Respectfully Submitted,
CHARLES LOMELI
Treasurer – Tax Collector – County Clerk

Attachment A – Letter to the Board
Attachment B – Statement of Compliance
Attachment C – Investment Portfolio
Attachment D – Balance Sheet and Income Statement
Attachment E – Yield Curve
Attachment F – PARS 115 Report

CHARLES LOMELI
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TREASURER-TAX COLLECTOR-COUNTY CLERK

SOLANO COUNTY

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675 Texas Street, Suite 1900
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Treasurer (707) 784-6295
Fax (707) 784-6311

STATEMENT OF COMPLIANCE

June 30, 2023

Liquidity:

The Treasury has a cash and cash equivalent position (securities maturing within 6 months) of $694.8 million dollars as of June 30, 2023. Based on historical trend analysis and projections by the various school districts, it is estimated that this cash position is adequate to meet projected liquidity requirements of the pool participants for the next six months.

Should the treasury experience unusual demands on cash, the liquidity position will be adjusted accordingly.

Investments:

The investment portfolio has been reviewed by the Treasurer-Tax Collector-County Clerk on June 30, 2023 and found to be in compliance with the Investment Policy.

Reporting and Distribution:

In accordance with Government code section 53607, a monthly report is submitted to the Clerk of the Board electronically.

In accordance with the Government Code section 53646 this non-mandated quarterly report is submitted to provide full disclosure to the Board and public.

This report is also made available to the Superintendent of Schools, the business managers of each district, many pool participants and the public at large via the Internet.

Respectfully Submitted,
CHARLES LOMELI
Treasurer-Tax Collector-County Clerk

BOOK VALUE VS MARKET REPORT

Solano County Treasurer
INVESTMENT PORTFOLIO ACCOUNTING 22.4.0 **LAST INTEREST ACCRUAL DATE: 06/30/2023**

SECURITY ID/LOT NO.	DESCRIPTION	FAS115 CLASS	MATURITY/ CALL DATE	PAR VALUE	BOOK VALUE	MARKET VALUE	MARKET GAIN/LOSS	MARKET DATE
PORTFOLIO: POOL								
SECURITY TYPE: CORP								
46124HAA4/001	INTUIT INC	AFS	07/15/2023	5,964,000.00	5,964,662.13	5,958,980.70	-5,681.43	06/30/2023
17329Q4X5/001	CITIBANK	AFS	07/21/2023	5,000,000.00	5,000,000.00	4,982,313.95	-17,686.05	06/30/2023
89236THF5/001	TOYOTA MOTOR CREDIT CORP	AFS	08/14/2023	20,000,000.00	20,004,664.76	19,891,147.80	-113,516.96	06/30/2023
48133DK33/001	JPMORGAN CHASE	AFS	08/23/2023	10,000,000.00	9,999,037.27	9,957,638.70	-41,398.57	06/30/2023
904764BJ5/001	UNILEVER	AFS	09/14/2023	2,000,000.00	1,998,962.00	1,981,130.38	-17,831.62	06/30/2023
46625HJT8/001	JP MORGAN CHASE	AFS	02/01/2024	8,000,000.00	7,953,224.94	7,921,318.48	-31,906.46	06/30/2023
023135BW5/001	AMAZON.COM	AFS	05/12/2024	6,000,000.00	5,987,616.44	5,752,116.84	-235,499.60	06/30/2023
023135BW5/002	AMAZON.COM	AFS	05/12/2024	5,000,000.00	4,824,793.18	4,793,430.70	-31,362.48	06/30/2023
166764BW9/001	CHEVRON CORP	AFS	05/11/2025	8,753,000.00	8,585,084.11	8,200,652.61	-384,431.50	06/30/2023
037833BG4/001	APPLE INC	AFS	05/13/2025	5,000,000.00	4,869,561.72	4,836,463.45	-33,098.27	06/30/2023
594918BJ2/001	MICROSOFT CORP	AFS	08/03/2025	11,400,000.00	11,446,420.40	10,969,876.29	-476,544.11	06/30/2023
931142ER0/001	WALMART INC	AFS	08/17/2026	10,000,000.00	9,046,576.84	8,926,743.80	-119,833.04	06/30/2023
931142ER0/002	WALMART INC	AFS	08/17/2026	11,760,000.00	10,638,774.38	10,497,850.71	-140,923.67	06/30/2023
	TOTAL FOR SECURITY TYPE CORP			**108,877,000.00**	**106,319,378.17**	**104,669,664.41**	**-1,649,713.76**	
SECURITY TYPE: FEDCOUP								
3133EL5J9/001	FFCB	AFS	07/01/2023	10,000,000.00	9,969,762.94	9,910,232.30	-59,530.64	06/30/2023
3135G05G4/001	FNMA	AFS	07/10/2023	10,000,000.00	10,000,239.45	9,986,412.60	-13,826.85	06/30/2023
3130APHY4/001	FHLB	AFS	07/15/2023	25,000,000.00	23,045,846.87	22,851,366.75	-194,480.12	06/30/2023
3134GXG24/001	FHLMC	AFS	07/21/2023	13,000,000.00	12,866,945.38	12,649,176.28	-217,769.10	06/30/2023
3130ASM97/001	FHLB	AFS	07/24/2023	7,500,000.00	7,419,286.13	7,320,912.53	-98,373.60	06/30/2023
3133ENEY2/001	FFCB	AFS	07/24/2023	25,000,000.00	24,998,317.94	24,924,447.25	-73,870.69	06/30/2023
3133ENEY2/002	FFCB	AFS	07/24/2023	25,000,000.00	24,997,426.93	24,924,447.25	-72,979.68	06/30/2023
3130APJ22/001	FHLB	AFS	07/28/2023	20,000,000.00	19,239,663.75	18,778,272.00	-461,391.75	06/30/2023
3130ASHV4/001	FHLB	AFS	07/28/2023	10,000,000.00	10,000,000.00	9,983,125.20	-16,874.80	06/30/2023
3135G05P4/001	FNMA	AFS	08/03/2023	9,842,000.00	9,842,000.00	9,797,588.07	-44,411.93	06/30/2023
3130ASBK4/001	FHLB	AFS	08/07/2023	20,000,000.00	20,000,000.00	19,937,911.60	-62,088.40	06/30/2023
3134GXAZ7/001	FHLMC	AFS	08/12/2023	25,000,000.00	22,612,051.42	22,535,611.50	-76,439.92	06/30/2023
3136G4K51/001	FNMA	AFS	08/17/2023	10,000,000.00	9,947,082.34	9,936,145.30	-10,937.04	06/30/2023
3137EAEV7/001	FHLMC	AFS	08/24/2023	20,000,000.00	19,924,541.33	19,859,770.00	-64,771.33	06/30/2023
3137EAEV7/002	FHLMC	AFS	08/24/2023	25,000,000.00	24,904,552.11	24,824,712.50	-79,839.61	06/30/2023
3136G4W41/001	FNMA	AFS	08/25/2023	20,000,000.00	18,493,924.00	18,256,718.60	-237,205.40	06/30/2023
3134GXR63/001	FHLMC	AFS	08/28/2023	10,000,000.00	9,877,140.56	9,778,534.80	-98,605.76	06/30/2023
313383YJ4/001	FHLB	AFS	09/08/2023	20,000,000.00	20,013,502.96	19,922,846.60	-90,656.36	06/30/2023

SECURITY ID/LOT NO.	DESCRIPTION	FAS115 CLASS	MATURITY/ CALL DATE	PAR VALUE	BOOK VALUE	MARKET VALUE	MARKET GAIN/LOSS	MARKET DATE
313383YJ4/002	FHLB	AFS	09/08/2023	11,100,000.00	11,107,494.15	11,057,179.86	-50,314.29	06/30/2023
3137EAEW5/001	FHLMC	AFS	09/08/2023	10,000,000.00	10,000,710.61	9,909,029.40	-91,681.21	06/30/2023
3137EAEW5/002	FHLMC	AFS	09/08/2023	20,000,000.00	19,890,023.66	19,818,058.80	-71,964.86	06/30/2023
3135G0U43/001	FNMA	AFS	09/12/2023	25,000,000.00	24,993,180.69	24,871,211.50	-121,969.19	06/30/2023
3130ATDJ3/001	FHLB	AFS	09/15/2023	20,000,000.00	19,994,505.52	19,925,060.80	-69,444.72	06/30/2023
3134GX2E3/001	FHLMC	AFS	09/20/2023	25,000,000.00	24,834,535.71	24,476,763.25	-357,772.46	06/30/2023
3130AQ4B6/001	FHLB	AFS	09/23/2023	30,000,000.00	28,620,344.37	28,225,972.50	-394,371.87	06/30/2023
3130AQ4B6/002	FHLB	AFS	09/23/2023	25,000,000.00	23,822,788.83	23,521,643.75	-301,145.08	06/30/2023
3130ATLU9/001	FHLB	AFS	09/27/2023	13,750,000.00	13,742,738.39	13,706,958.79	-35,779.60	06/30/2023
3130AMU67/001	FHLB	AFS	09/28/2023	20,000,000.00	19,672,199.00	19,014,216.80	-657,982.20	06/30/2023
3130AMU67/002	FHLB	AFS	09/28/2023	25,000,000.00	24,472,985.75	23,767,771.00	-705,214.75	06/30/2023
3130APDL6/001	FHLB	AFS	09/30/2023	6,960,000.00	6,458,377.36	6,404,506.53	-53,870.83	06/30/2023
3135G05C3/001	FNMA	AFS	09/30/2023	25,000,000.00	22,998,636.28	22,981,423.75	-17,212.53	06/30/2023
3130ASQA0/001	FHLB	AFS	10/18/2023	25,000,000.00	25,000,000.00	24,844,095.25	-155,904.75	06/30/2023
3134GW6E1/001	FHLMC	AFS	11/02/2023	20,000,000.00	20,000,000.00	19,659,877.20	-340,122.80	06/30/2023
3134GY5V0/001	FHLMC	AFS	12/18/2023	20,000,000.00	20,000,000.00	19,819,514.20	-180,485.80	06/30/2023
3130AUBV5/001	FHLB	AFS	12/19/2023	25,000,000.00	24,995,159.03	24,925,920.75	-69,238.28	06/30/2023
3135GAJ36/001	FNMA	AFS	12/27/2023	25,000,000.00	25,000,000.00	24,993,350.75	-6,649.25	06/30/2023
3130AUZN7/001	FHLB	AFS	02/21/2024	25,000,000.00	24,995,620.45	24,913,665.25	-81,955.20	06/30/2023
3130AT3H8/001	FHLB	AFS	03/08/2024	25,000,000.00	24,985,197.04	24,652,378.00	-332,819.04	06/30/2023
3130ATKJ5/001	FHLB	AFS	03/08/2024	25,000,000.00	24,925,870.63	24,742,874.00	-182,996.63	06/30/2023
3130AVPL0/001	FHLB	AFS	04/24/2024	30,000,000.00	30,000,000.00	29,775,943.20	-224,056.80	06/30/2023
3134GYR79/001	FHLMC	AFS	05/08/2024	20,000,000.00	20,000,000.00	19,750,415.60	-249,584.40	06/30/2023
3130ASHK8/002	FHLB	AFS	06/14/2024	25,000,000.00	24,941,083.29	24,530,718.25	-410,365.04	06/30/2023
3130AT4D6/001	FHLB	AFS	06/14/2024	35,000,000.00	34,923,477.04	34,303,830.40	-619,646.64	06/30/2023
3130ATPY7/001	FHLB	AFS	06/14/2024	8,000,000.00	7,983,721.92	7,923,538.88	-60,183.04	06/30/2023
3130AV7F3/001	FHLB	AFS	06/14/2024	25,000,000.00	24,978,930.64	24,929,534.25	-49,396.39	06/30/2023
3134GVQS0/001	FHLMC	AFS	06/28/2024	25,000,000.00	25,000,000.00	23,798,883.50	-1,201,116.50	06/30/2023
3134GVSN9/001	FHLMC	AFS	07/01/2024	15,000,000.00	15,000,000.00	13,885,853.10	-1,114,146.90	06/30/2023
3130ASME6/001	FHLB	AFS	07/08/2024	40,000,000.00	39,947,591.56	39,022,757.60	-924,833.96	06/30/2023
3133EL3R3/001	FFCB	AFS	08/12/2024	9,000,000.00	8,772,482.68	8,482,757.94	-289,724.74	06/30/2023
3133ENG20/001	FFCB	AFS	08/15/2024	25,000,000.00	24,651,727.31	24,436,904.25	-214,823.06	06/30/2023
3133EL5D2/001	FFCB	AFS	08/26/2024	5,000,000.00	4,868,156.84	4,721,442.05	-146,714.79	06/30/2023
3133ENJ84/001	FFCB	AFS	08/26/2024	20,360,000.00	20,200,392.76	19,900,617.12	-299,775.64	06/30/2023
3130ASZH5/001	FHLB	AFS	08/28/2024	30,000,000.00	29,778,600.28	29,524,653.30	-253,946.98	06/30/2023
3130AVD41/001	FHLB	AFS	09/09/2024	50,000,000.00	50,055,511.97	49,989,596.00	-65,915.97	06/30/2023
3130AT6G7/001	FHLB	AFS	09/13/2024	10,000,000.00	9,990,478.60	9,778,422.90	-212,055.70	06/30/2023

BOOK VALUE VS MARKET REPORT

Solano County Treasurer

INVESTMENT PORTFOLIO ACCOUNTING 22.4.0 **LAST INTEREST ACCRUAL DATE: 06/30/2023**

SECURITY ID/LOT NO.	DESCRIPTION	FAS115 CLASS	MATURITY/ CALL DATE	PAR VALUE	BOOK VALUE	MARKET VALUE	MARKET GAIN/LOSS	MARKET DATE
3133XVDG3/001	FHLB	AFS	09/13/2024	30,000,000.00	30,035,478.07	29,629,209.00	-406,269.07	06/30/2023
3130ATUR6/001	FHLB	AFS	12/13/2024	10,065,000.00	10,073,141.60	9,974,927.21	-98,214.39	06/30/2023
3130AUZC1/001	FHLB	AFS	03/14/2025	25,000,000.00	25,174,216.78	24,782,865.00	-391,351.78	06/30/2023
3133EPHE8/001	FFCB	AFS	04/28/2025	20,000,000.00	19,982,577.03	19,714,308.80	-268,268.23	06/30/2023
3133EPHE8/002	FFCB	AFS	04/28/2025	8,975,000.00	8,978,849.39	8,846,796.07	-132,053.32	06/30/2023
3135G04Z3/001	FNMA	AFS	06/17/2025	20,000,000.00	18,780,299.35	18,358,013.20	-422,286.15	06/30/2023
3135G04Z3/002	FNMA	AFS	06/17/2025	30,000,000.00	27,960,198.89	27,537,019.80	-423,179.09	06/30/2023
3130AW2K5/001	FHLB	AFS	06/23/2025	25,000,000.00	25,000,000.00	24,543,703.25	-456,296.75	06/30/2023
3137EAEX3/001	FHLMC	AFS	09/23/2025	21,480,000.00	19,831,691.47	19,485,836.11	-345,855.36	06/30/2023
3133EPHF5/001	FFCB	AFS	10/27/2025	25,000,000.00	25,247,911.75	24,635,179.75	-612,732.00	06/30/2023
	TOTAL FOR SECURITY TYPE FEDCOUP			**1,340,032,000.00**	**1,320,819,170.80**	**1,304,673,429.79**	**-16,145,741.01**	
SECURITY TYPE: MUNICAL								
801546QU9/001	SANTA CLARA COUNTY	AFS	08/01/2024	10,000,000.00	9,922,755.34	9,625,600.00	-297,155.34	06/30/2023
13063D2S6/001	CALIFORNIA ST	AFS	10/01/2024	15,000,000.00	15,139,248.67	14,974,350.00	-164,898.67	06/30/2023
13063D2S6/002	CALIFORNIA ST	AFS	10/01/2024	12,245,000.00	12,379,957.92	12,224,061.05	-155,896.87	06/30/2023
072024WQ1/001	BAY AREA CA TOLL	AFS	04/01/2025	10,837,000.00	10,680,733.61	10,280,628.42	-400,105.19	06/30/2023
13067WSW3/001	CALIFORNIA WATER RESOURCES	AFS	12/01/2026	10,000,000.00	9,318,413.95	8,817,900.00	-500,513.95	06/30/2023
	TOTAL FOR SECURITY TYPE MUNICAL			**58,082,000.00**	**57,441,109.49**	**55,922,539.47**	**-1,518,570.02**	
SECURITY TYPE: MUNINAT								
6446827E0/001	NEW HAMPSHIRE STATE GOB	AFS	12/01/2023	12,295,000.00	12,295,000.00	12,045,042.65	-249,957.35	06/30/2023
574193UG1/001	MARYLAND STATE	AFS	03/01/2024	5,000,000.00	5,000,000.00	4,839,800.00	-160,200.00	06/30/2023
97705MUJ2/001	WISCONSIN STATE	AFS	05/01/2024	3,500,000.00	3,499,692.12	3,361,890.00	-137,802.12	06/30/2023
917542QV7/001	STATE OF UTAH	AFS	07/01/2025	8,695,019.67	8,571,581.57	8,549,204.19	-22,377.38	06/30/2023
882723B24/001	TEXAS ST	AFS	10/01/2025	4,000,000.00	3,880,588.96	3,735,200.00	-145,388.96	06/30/2023
882723B32/001	TEXAS ST	AFS	10/01/2025	5,000,000.00	4,883,253.04	4,714,950.00	-168,303.04	06/30/2023
	TOTAL FOR SECURITY TYPE MUNINAT			**38,490,019.67**	**38,130,115.69**	**37,246,086.84**	**-884,028.85**	
SECURITY TYPE: SOL								
834SCFCP7K/001	SOLANO CTY 2013 COPS	AFS	11/15/2023	405,000.00	405,000.00	405,000.00	0.00	06/30/2023
834SCFCP7L/001	SOLANO CTY 2013 COPS	AFS	11/15/2024	415,000.00	415,000.00	415,000.00	0.00	06/30/2023
834SCFCP7M/001	SOLANO CTY 2013 COPS	AFS	11/15/2025	430,000.00	430,000.00	430,000.00	0.00	06/30/2023
834SCFCP7N/001	SOLANO CTY 2013 COPS	AFS	11/15/2026	445,000.00	445,000.00	445,000.00	0.00	06/30/2023
834SCFCP7O/001	SOLANO CTY 2013 COPS	AFS	11/15/2027	460,000.00	460,000.00	460,000.00	0.00	06/30/2023
	TOTAL FOR SECURITY TYPE SOL			**2,155,000.00**	**2,155,000.00**	**2,155,000.00**	**0.00**	

SECURITY ID/LOT NO.	DESCRIPTION	FAS115 CLASS	MATURITY/ CALL DATE	PAR VALUE	BOOK VALUE	MARKET VALUE	MARKET GAIN/LOSS	MARKET DATE
SECURITY TYPE: SUPRA								
4581X0CC0/001	INTER-AMERICAN DEVEL BK	AFS	10/04/2023	10,000,000.00	10,070,556.56	9,939,741.50	-130,815.06	06/30/2023
SECURITY TYPE: TREASURY								
9128282D1/001	US TREASURY	AFS	08/31/2023	30,000,000.00	29,962,950.25	29,812,608.00	-150,342.25	06/30/2023
91282CAK7/001	US TREASURY	AFS	09/15/2023	25,000,000.00	24,884,246.05	24,744,719.75	-139,526.30	06/30/2023
912796CR8/001	US TREASURY	AFS	09/21/2023	50,000,000.00	49,461,637.46	49,426,018.50	-35,618.96	06/30/2023
91282CBA8/001	US TREASURY	AFS	12/15/2023	30,000,000.00	29,979,571.87	29,316,796.80	-662,775.07	06/30/2023
912828XT2/001	US TREASURY	AFS	05/31/2024	50,000,000.00	49,788,021.91	48,474,609.50	-1,313,412.41	06/30/2023
91282CCG4/001	US TREASURY	AFS	06/15/2024	50,000,000.00	48,954,696.85	47,609,375.00	-1,345,321.85	06/30/2023
91282CCL3/001	US TREASURY	AFS	07/15/2024	20,000,000.00	19,181,910.57	18,990,625.00	-191,285.57	06/30/2023
9128282Y5/001	US TREASURY	AFS	09/30/2024	10,000,000.00	10,015,073.99	9,614,062.50	-401,011.49	06/30/2023
91282CDB4/001	US TREASURY	AFS	10/15/2024	25,000,000.00	23,597,639.76	23,547,851.50	-49,788.26	06/30/2023
912828K74/001	US TREASURY	AFS	08/15/2025	25,000,000.00	24,462,658.90	23,581,054.75	-881,604.15	06/30/2023
	TOTAL FOR SECURITY TYPE TREASURY			**315,000,000.00**	**310,288,407.61**	**305,117,721.30**	**-5,170,686.31**	
	TOTAL FOR PORTFOLIO POOL			**1,872,636,019.67**	**1,845,223,738.32**	**1,819,724,183.31**	**-25,499,555.01**	

Solano County Treasury
Treasurer Charles Lomeli
Statement of Assets
June 30, 2023

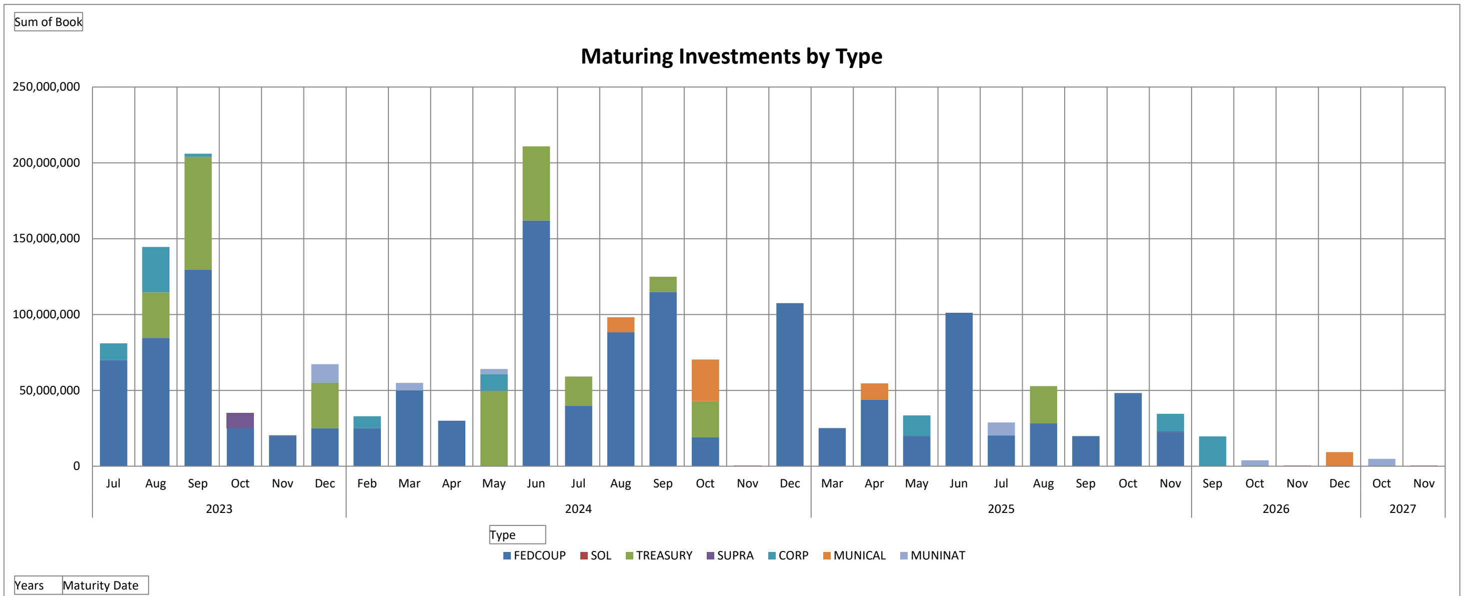
	Fiscal Year 2023 June
Cash & Cash Equivalents	
Total Cash & Cash Equivalents	$234,758,743.49
Non Cash Assets	
Total Non Cash Assets	$9,984,194.11
Investments	
Securities	$1,819,724,183.31
Total Investments	$1,819,724,183.31
Total Pooled Investment At Market Value	$2,064,467,120.91
Mark to Market Equity	($25,499,555.01)
Total Pooled Investments At Book Value	$2,089,966,675.92
Other Treasury Holdings	
Other Treasury Holdings	$50,696,015.69
PARS115	$32,548,954.99
Total Other Treasury Holdings	$83,244,970.68
TOTAL ASSETS AT MARKET VALUE	**$2,147,712,091.59**
Exception Items	
Pending Apportionment	$5,655,878.86
Deposits	
Total Deposits in Treasury	$2,168,002,450.65
TOTAL LIABILITIES	**$2,173,658,329.51**
Equity	$0.00
Mark to Market Equity	($25,499,555.01)
115 Trust Mark to Market Equity	($446,053.66)
VCUSD iBank Mark to Market Equity	($629.25)
Total Mark to Market	$25,946,237.92
Treasury Pool Net Income	$5,655,878.86
All Other Net Income	($5,655,878.86)
Net Income to be Apportioned All Treasury Holdings	$0.00
TOTAL EQUITY	**($25,946,237.92)**

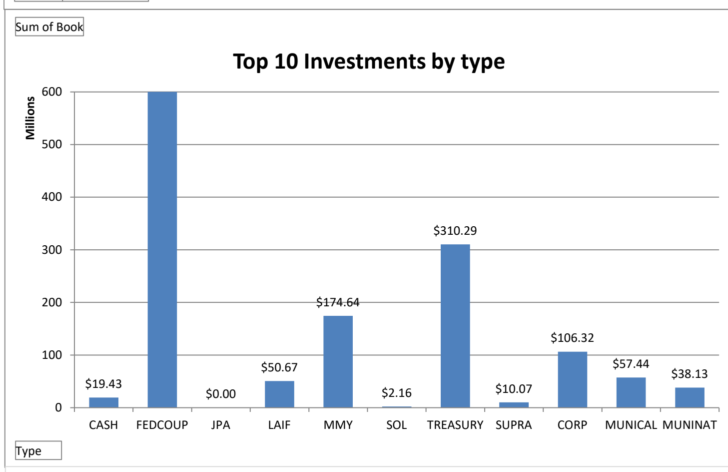
Solano County Treasury
Treasurer Charles Lomeli
Statement of Assets
June 30, 2023

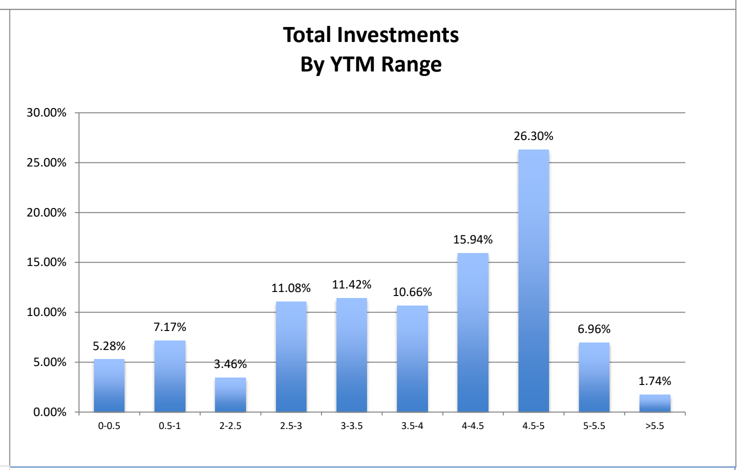
	Fiscal Year 2023 June
NET ASSET VALUE OF POOLED INVESTMENTS*	**0.9878**

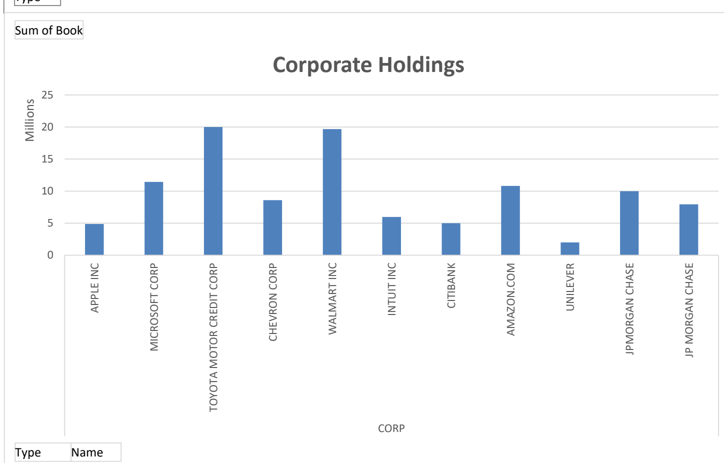
Charles Lomeli: Treasurer - Tax Collector - County Clerk   **Date**

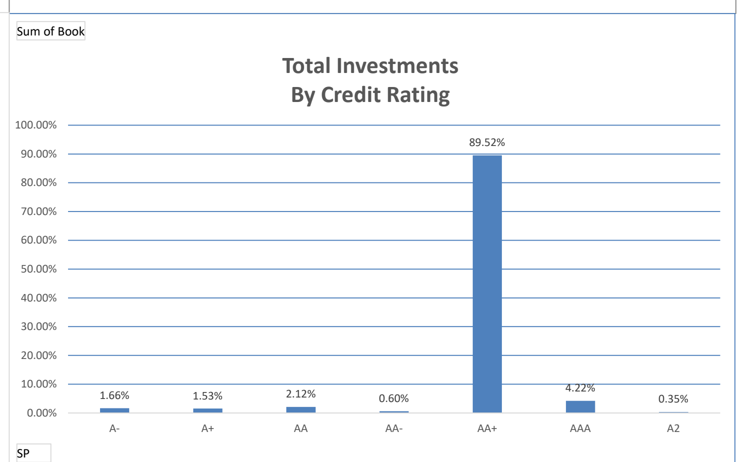
Solano County Treasury
Treasurer Charles Lomeli
Portfolio Statistical Graphs
June 30, 2023











Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (EOP)
June 30, 2023

	Fiscal Year 2023 June
ASSETS	
Cash & Cash Equivalents	
Physical Cash	$1,980.00
Sealed Bags	$962,743.38
Total Cash on Hand	**$964,723.38**
Wells Fargo Deposit Account	$5,825,155.00
Bank of America Deposit Account	$1,517,052.70
Chase Bank Deposit Account	$1,035,773.55
Wells Fargo HUD Account	$67.43
First Northern Bank Lake Solano Park	$52,616.63
Bank of Stockton	$55,070.30
Total Cash in Bank	**$8,485,735.61**
WF Money Market Account	$24,849,140.35
US Bank Safekeep Money Market Account	$52,781.03
CAMP Money Market Account	$53,718,843.75
CalTrust Liquidity Fund	$57,364,875.14
CalTrust Blackrock FedFund	$38,650,080.66
Total Cash in Money Markets	**$174,635,720.93**
LAIF	$50,672,563.57
Total LAIF	**$50,672,563.57**
Total Cash & Cash Equivalents	**$234,758,743.49**
Non Cash Assets	
Acc Int Money Markets	$50,005.20
Acc Int LAIF	$408,879.36
Acc Int Investment Securities	$9,520,055.24
Total Accrued Interest	**$9,978,939.80**
Credit Card Delayed Receipt	$5,254.31
Total Items in Transit	**$5,254.31**
Total Non Cash Assets	**$9,984,194.11**
Mutual Funds	
Total Mutual Funds	**$0.00**
Securities	
Solano County Bonds Par	$2,155,000.00
US Treasuries Par	$315,000,000.00
US Treasuries Premium	$15,073.99
US Treasuries Discount	($4,726,666.38)
US Treasuries Mk to Mkt	($5,170,686.31)

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (EOP)
June 30, 2023

	Fiscal Year 2023 June
Municipals Par	$96,572,019.67
Municipals Premium	$274,206.59
Municipals Discount	($1,275,001.08)
Municipals Mk to Mkt	($2,402,598.87)
Fed Agencies Par	$1,340,032,000.00
Fed Agencies Premium	$547,056.73
Fed Agencies Discount	($19,759,885.93)
Fed Agencies Mk to Mkt	($16,145,741.01)
Corporates Par	$108,877,000.00
Corporates Premium	$51,747.29
Corporates Discount	($2,609,369.12)
Corporates Mk to Mkt	($1,649,713.76)
Supranational Banks Par	$10,000,000.00
Supranational Banks Premium	$70,556.56
Supranational Banks Mk to Mkt	($130,815.06)
Total Securities	**$1,819,724,183.31**
Total Investments	**$1,819,724,183.31**
Total Pool at Market Value	**$2,064,467,120.91**
<u>Other Treasury Holdings</u>	
VCUSD iBank Muni Fund	$30,670,616.33
VCUSD iBank Muni Fund Mk to Mkt	($629.25)
2005 Pension Obligation Bonds	$322,060.45
2013 Cops	$581.78
2017 Cops	$7,529.88
2021 Cops	$19,695,856.50
Total Bond Proceeds	**$50,696,015.69**
115 Trust Money Markets	$7,744,353.95
115 Trust Accrued Interest	$58,649.20
115 Trust Money Market Mark to Market	($5.78)
115 Trust Fed Agencies Par	$20,000,000.00
115 Trust Fed Agencies Discount	($10,689.80)
115 Trust Fed Agencies Mk to Mkt	($362,138.60)
115 Trust Corporates Par	$2,000,000.00
115 Trust Corporates Premium	$2,695.30
115 Trust Corporates Mk to Mkt	($12,883.28)
115 Trust Municipals Par	$3,200,000.00
115 Trust Municipals Mk to Mkt	($71,026.00)
Total 115 Trust	**$32,548,954.99**
Total Deposits With Others	**$83,244,970.68**

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (EOP)
June 30, 2023

	Fiscal Year 2023 June
Total Other Treasury Holdings	**$83,244,970.68**
TOTAL ASSETS	**$2,147,712,091.59**
LIABILITIES	
Exception Items	
Pending Apportionment	$5,655,878.86
Total Bank Exceptions	**$5,655,878.86**
Total Investment Portfolio Exceptions	**$0.00**
Total Auditor - Controller Exceptions	**$0.00**
Total Exception Items	**$5,655,878.86**
Auditor - Controller Fund Balance	
OneSolution Cash in Treasury	$2,084,310,797.06
Total OneSolution Cash	**$2,084,310,797.06**
OneSolution Bond Proceeds Dep With Others	$20,026,028.61
OneSolution Pars 115 Trust	$32,995,008.65
OneSolution VCUSD iBank 5390160	$30,670,616.33
Total OneSolution Deposits With Others	**$83,691,653.59**
Total Auditor - Controller Fund Balance	**$2,168,002,450.65**
TOTAL LIABILITIES	**$2,173,658,329.51**
EQUITY	
Total Retained Earnings	**$0.00**
Total Pool Mark to Market Equity	($25,499,555.01)
115 Trust Mark to Market Equity	($446,053.66)
VCUSD iBank Mark to Market Equity	($629.25)
Total Market to Market	**($25,946,237.92)**
Net Income	**$0.00**
TOTAL EQUITY	**($25,946,237.92)**

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (EOP)
June 30, 2023

	Fiscal Year 2023 June
TOTAL LIABILITIES & EQUITY	**$2,147,712,091.59**

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (AVE)
June 30, 2023

	Fiscal Year 2023 June
ASSETS	
Cash & Cash Equivalents	
Physical Cash	$1,980.00
Sealed Bags	$221,246.91
Deposits in Transit	$174,188.48
Total Cash on Hand	**$397,415.39**
Wells Fargo Deposit Account	$2,340,134.53
Bank of America Deposit Account	$1,776,592.07
Chase Bank Deposit Account	$2,861,362.58
Wells Fargo HUD Account	$82,035.25
First Northern Bank Lake Solano Park	$45,828.50
Bank of Stockton	$50,746.37
Total Cash in Bank	**$7,156,699.29**
WF Money Market Account	$5,356,033.77
BAC Money Market Account	$757,600.29
US Bank Safekeep Money Market Account	$583,601.78
CAMP Money Market Account	$35,072,590.28
CalTrust Liquidity Fund	$51,872,582.22
CalTrust Blackrock FedFund	$36,620,002.69
Total Cash in Money Markets	**$130,262,411.03**
LAIF	$52,439,230.24
Total LAIF	**$52,439,230.24**

Total Cash & Cash Equivalents	**$190,255,755.95**
Non Cash Assets	
Acc Int Money Markets	$1,666.84
Acc Int LAIF	$283,470.58
Acc Int Investment Securities	$8,522,844.42
Total Accrued Interest	**$8,807,981.84**
Asset Suspense	$811,356.35
Credit Card Delayed Receipt	$7,651.01
Total Items in Transit	**$819,007.36**

Total Non Cash Assets	**$9,626,989.20**
Mutual Funds	

Total Mutual Funds	**$0.00**
Securities	
Solano County Bonds Par	$2,155,000.00
US Treasuries Par	$331,333,333.33

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (AVE)
June 30, 2023

	Fiscal Year 2023 June
US Treasuries Premium	$16,404.47
US Treasuries Discount	($3,966,378.28)
US Treasuries Mk to Mkt	($5,173,048.13)
Municipals Par	$96,572,019.67
Municipals Premium	$291,607.24
Municipals Discount	($1,312,604.73)
Municipals Mk to Mkt	($2,074,013.02)
Fed Agencies Par	$1,333,032,000.00
Fed Agencies Premium	$546,817.06
Fed Agencies Discount	($18,455,305.62)
Fed Agencies Mk to Mkt	($13,622,399.10)
Corporates Par	$115,910,333.33
Corporates Premium	$58,978.44
Corporates Discount	($2,696,050.13)
Corporates Mk to Mkt	($1,436,714.13)
Supranational Banks Par	$10,000,000.00
Supranational Banks Premium	$92,576.71
Supranational Banks Mk to Mkt	($178,977.52)
Total Securities	**$1,841,093,579.62**
Total Investments	**$1,841,093,579.62**
Total Pool	**$2,040,976,324.77**
<u>Other Treasury Holdings</u>	
VCUSD iBank Muni Fund	$30,593,007.27
VCUSD iBank Muni Fund Mk to Mkt	($629.25)
2005 Pension Obligation Bonds	$320,758.20
2013 Cops	$514.31
2017 Cops	$7,499.63
2021 Cops	$19,740,411.93
Total Bond Proceeds	**$50,661,562.09**
115 Trust Cash	$2,856,247.73
115 Trust Money Markets	$2,015,198.55
115 Trust Accrued Interest	$109,234.32
115 Trust Money Market Mark to Market	($5.78)
115 Trust US Treasuries Par	$2,333,333.33
115 Trust US Treasuries Discount	($3,808.27)
115 Trust US Treasuries Mk to Mkt	($1,494.24)
115 Trust Fed Agencies Par	$20,422,222.22
115 Trust Fed Agencies Discount	($11,614.32)
115 Trust Fed Agencies Mk to Mkt	($327,895.67)
115 Trust Corporates Par	$2,000,000.00
115 Trust Corporates Premium	$4,067.09
115 Trust Corporates Mk to Mkt	($18,770.65)
115 Trust Municipals Par	$3,200,000.00

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (AVE)
June 30, 2023

	Fiscal Year 2023 June
115 Trust Municipals Mk to Mkt	($77,881.60)

Total 115 Trust	**$32,498,832.71**

Total OPEB Trust	**$0.00**
Total Other Treasury Holdings	**$83,160,394.80**
TOTAL ASSETS	**$2,124,136,719.56**
	==================

LIABILITIES

<u>Exception Items</u>	
Pending Apportionment	$2,927,273.11
Total Bank Exceptions	**$2,927,273.11**
Total Investment Portfolio Exceptions	**$0.00**
Total Auditor - Controller Exceptions	**$0.00**

Total Exception Items	**$2,927,273.11**
<u>Auditor - Controller Fund Balance</u>	
OneSolution Cash in Treasury	$2,060,340,073.65

Total OneSolution Cash	**$2,060,340,073.65**
OneSolution Bond Proceeds Dep With Others	$20,069,184.06
OneSolution Pars 115 Trust	$32,909,205.41
OneSolution VCUSD iBank 5390160	$30,593,007.27

Total OneSolution Deposits With Others	**$83,571,396.75**

Total Auditor - Controller Fund Balance	**$2,143,911,470.40**
TOTAL LIABILITIES	**$2,146,838,743.51**
	==================

EQUITY

Total Retained Earnings	**$0.00**
Total Pool Mark to Market Equity	($22,485,151.89)
115 Trust Mark to Market Equity	($426,047.94)
VCUSD iBank Mark to Market Equity	($629.25)

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (AVE)
June 30, 2023

	Fiscal Year 2023 June
Total Market to Market	**($22,911,829.08)**
Net Income	**$209,805.13**
TOTAL EQUITY	**($22,702,023.95)**
TOTAL LIABILITIES & EQUITY	**$2,124,136,719.56**

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (PER)
June 30, 2023

	Fiscal Year 2023 June
TREASURY POOL	
Cash & Cash Equivalents	
Cash on Hand	$964,723.38
	0.05%
Cash in Bank	$8,485,735.61
	0.41%
Cash in Money Markets	$174,635,720.93
	8.46%
LAIF	$50,672,563.57
	2.45%
Total Cash & Cash Equivalents	**11.37%**
Non Cash Assets	
Non Cash Assets	$9,984,194.11
	0.48%
Total Non Cash Assets	**0.48%**
Mutual Funds	
Mutual Funds	$0.00
	0.00%
Total Mutual Funds	**0.00%**
Securities	
US Treasuries	$305,117,721.30
	14.78%
Federal Agencies	$1,304,673,429.79
	63.20%
Corporates	$104,669,664.41
	5.07%
Municipals	$95,323,626.31
	4.62%
	0.00%
	0.00%
Supranationals	$9,939,741.50
	0.48%
Total Securities	**88.15%**
TOTAL TREASURY POOL	**100.00%**

115 TRUST

Solano County Treasury
Treasurer Charles Lomeli
Balance Sheet (PER)
June 30, 2023

	Fiscal Year 2023 June
Cash & Cash Equivalents	
	0.00%
115 Trust Money Markets	$7,744,353.95
	23.79%
Total Cash and Cash Equivalents	**23.79%**
Non Cash Assets	
115 Trust Accrued Interest	$58,649.20
	0.18%
	0.00%
Total Non Cash Assets	**0.18%**
Mutual Funds	
	0.00%
Total Mutual Funds	**0.00%**
Securities	
	0.00%
Federal Agencies	$19,627,171.60
	60.30%
Corporates	$1,989,812.02
	6.11%
Municipals	$3,128,974.00
	9.61%
Total Securities	**76.03%**
TOTAL 115 TRUST	**100.00%**

Solano County Treasury
Treasurer Charles Lomeli
Statement of Income
June 30, 2023

	Fiscal Year 2023 June
POOL INCOME	
Short Term Investments	
Bank Deposit Income	$67.43
Total Bank Deposit	**$67.43**
Wells Fargo	$8,341.83
B of A	$1,801.31
US Bank	$8,535.73
CAMP	$151,296.69
CalTrust BlackRock TempFund Income	$216,165.09
Cal Trust Money Market	$150,085.86
Total Money Markets	**$536,226.51**
LAIF	$129,733.22
Total LAIF	**$129,733.22**

Total Short Term Income	**$666,027.16**
Mutual Funds	

Total Mutual Fund Income	**$0.00**
Long Term Investments	
Interest Earnings 53601A	$5,998.07
Premium Amortization	$0.00
Discount Accretion	$0.00
Gain/Loss on Sale	$0.00
Total County Bonds	**$5,998.07**
Interest Earnings 53601B	$199,571.19
Premium Amortization	($1,829.61)
Discount Accretion	$574,247.96
Gain/Loss on Sale	$0.00
Total US Treasuries	**$771,989.54**
Interest Earnings 53601C	$224,330.60
Premium Amortization	($18,000.67)
Discount Accretion	$38,900.33
Gain/Loss on Sale	$0.00
Total Municipals	**$245,230.26**
Interest Earnings 53601F	$2,745,950.68
Premium Amortization	($57,809.39)
Discount Accretion	$1,042,181.87
Gain/Loss on Sale	$0.00
Total Fed Agency	**$3,730,323.16**

Solano County Treasury
Treasurer Charles Lomeli
Statement of Income
June 30, 2023

	Fiscal Year 2023 June
Interest Earnings 53601G	$0.00
Premium Amortization	$0.00
Discount Accretion	$0.00
Gain/Loss on Sale	$0.00
Total Commercial Paper	**$0.00**
Interest Earnings 53601H	$0.00
Premium Amortization	$0.00
Discount Accretion	$0.00
Gain/Loss on Sale	$0.00
Total Certificates of Deposit	**$0.00**
Interest Earnings 53601J	$155,281.46
Premium Amortization	($11,206.03)
Discount Accretion	$90,014.71
Gain/Loss on Sale	$0.00
Total Corporates	**$234,090.14**
Interest Earnings 53601Q	$25,000.00
Premium Amortization	($22,779.47)
Discount Accretion	$0.00
Gain/Loss on Sale	$0.00
Total Supranational Bonds	**$2,220.53**
Total Long Term Income	**$4,989,851.70**
Total Income	**$5,655,878.86**
Treasury Operating Costs	
Interest Apportionment Expense	$5,655,878.86
Total Treasury Apportioned	**($5,655,878.86)**
Total Expense	**($5,655,878.86)**
TREASURY POOL UNAPPORTIONED	**$0.00**

115 TRUST

Short Term Investments	
115 Trust Cash & Money Mkt Income	$20,258.12
Total Cash & Money Markets	**$20,258.12**
Mutual Funds	
Total Mutual Funds	**$0.00**
Long Term Investments	

Solano County Treasury
Treasurer Charles Lomeli
Statement of Income
June 30, 2023

	Fiscal Year 2023
	June
115 Trust US Treasuries Income	$8,675.69
115 Trust Fed Agencies Income	$56,743.99
115 Trust Corporates Income	$3,330.91
115 Trust Municipals Income	$4,802.50
Total Long Term Investments	**$73,553.09**

Total Income	**$93,811.21**
Management Costs	
115 Trust Earnings Distribution	$88,761.97
115 Trust Safekeeping Expense	$1,332.46
115 Trust PARS Expenses	$3,716.78
Total 115 Trust Management Charges	**$5,049.24**

Total Expense	**$93,811.21**
	==================
115 TRUST NET INCOME	**$0.00**

Solano County Treasury
Treasurer Charles Lomeli
Yield Analysis
June 30, 2023

	Fiscal Year 2023 June Yield
YIELDS	
Bank Deposits	0.012%
Wells Fargo Money Market	1.895%
Bank Of America Money Market	2.893%
Union Bank Money Market	17.795%
Camp	5.249%
Cal Trust Money Market	2.064%

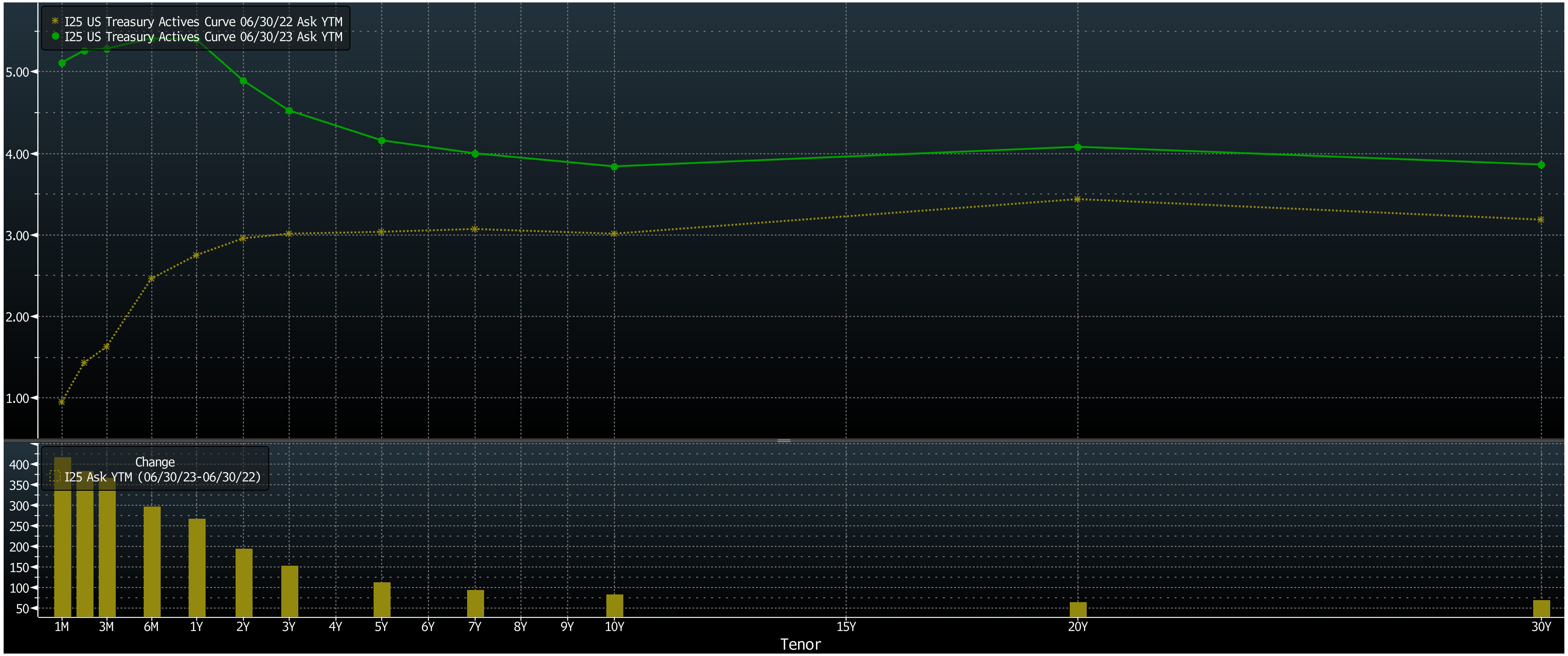
Wt Ave Of All MMY	**5.008%**
Local Agency Investment Fund	**3.010%**
Cal Trust Short	0.000%
Cal Trust Short TR	0.000%
Cal Trust Medium	0.000%
Cal Trust Medium TR	0.000%

Wt Ave of All Mutual Funds	**0.000%**
Wt Ave of All Mutual Funds TR	**0.000%**
Solano County Bonds	3.386%
Solano County Bonds TR	3.386%
US Treasury Securities	2.869%
US Treasury Securities TR	2.869%
Municipals	3.123%
Municipals TR	3.123%
Federal Agencies	3.451%
Federal Agencies TR	3.451%
Commercial Paper	0.000%
Commerical Paper TR	0.000%
Certificates of Deposit	0.000%
Cerificates of Deposit TR	0.000%
Corporate Securities	2.514%
Corporate Securities TR	2.514%
Sovereign Securities	0.268%
Sovereign Securities TR	0.268%

Wt Ave Of All Securities	**3.258%**
Wt Ave Of All Securities TR	**3.258%**

Total Pool	**3.351%**
Total Pool TR	**3.351%**
Bond Yield	**0.000%**
PARS 115 Yield	**3.512%**

I25 US Treasury Actives Curve 06/30/22 Ask YTM
I25 US Treasury Actives Curve 06/30/23 Ask YTM
I25 Ask YTM (06/30/23-06/30/22)



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SECURITY ID/LOT NO.	DESCRIPTION	FAS115 CLASS	MATURITY/ CALL DATE	PAR VALUE	BOOK VALUE	MARKET VALUE	MARKET GAIN/LOSS	MARKET DATE
PORTFOLIO: PARS115								
SECURITY TYPE: 115CORPS								
69371RP59/001	PACCAR FINL C	AFS	08/09/2023	1,000,000.00	1,001,044.04	997,684.30	-3,359.74	06/30/2023
740816AJ2/001	PRES & FELLOWS OF HARVARD	AFS	10/01/2023	1,000,000.00	1,001,651.26	992,127.72	-9,523.54	06/30/2023
	TOTAL FOR SECURITY TYPE 115CORPS			**2,000,000.00**	**2,002,695.30**	**1,989,812.02**	**-12,883.28**	
SECURITY TYPE: 115FEDAG								
3130ASHK8/001	FHLB	AFS	06/14/2024	15,000,000.00	14,989,310.20	14,718,430.95	-270,879.25	06/30/2023
3130AW2K5/003	FHLB	AFS	06/23/2025	5,000,000.00	5,000,000.00	4,908,740.65	-91,259.35	06/30/2023
	TOTAL FOR SECURITY TYPE 115FEDAG			**20,000,000.00**	**19,989,310.20**	**19,627,171.60**	**-362,138.60**	
SECURITY TYPE: 115MUNI								
918608UJ7/001	VACAVILLE USD REF TXBL	AFS	08/01/2023	200,000.00	200,000.00	199,314.00	-686.00	06/30/2023
574193UG1/002	MARYLAND STATE	AFS	03/01/2024	1,000,000.00	1,000,000.00	967,960.00	-32,040.00	06/30/2023
68607V3H6/001	OREGON ST DEPT	AFS	04/01/2024	2,000,000.00	2,000,000.00	1,961,700.00	-38,300.00	06/30/2023
	TOTAL FOR SECURITY TYPE 115MUNI			**3,200,000.00**	**3,200,000.00**	**3,128,974.00**	**-71,026.00**	
	TOTAL FOR PORTFOLIO PARS115			**25,200,000.00**	**25,192,005.50**	**24,745,957.62**	**-446,047.88**	