NEW ISSUE—FULL BOOK-ENTRY

RATINGS: Moody's: "Aa3"; S&P: "AA-"
(See "RATINGS" 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, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain opinions and representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series A 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 and corporations. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$51,810,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)

$10,645,000
2014 General Obligation Refunding Bonds, Series A
(Federally Tax-Exempt)

$41,165,000
2014 General Obligation Refunding Bonds, Series B
(Federally Taxable)

Dated: Date of Delivery **Due: August 1, as shown on the insider cover**

This cover page contains certain information for quick 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 not otherwise defined shall have the meanings set forth herein.

The Solano Community College District (Solano and Yolo Counties, California) 2014 General Obligation Refunding Bonds, Series A (Federally Tax-Exempt) (the "Series A Bonds"), are being issued by the Solano Community College District (the "District") to (i) advance refund certain portions of the outstanding Solano Community College District (Solano and Yolo Counties, California) Election of 2002 General Obligation Bonds, Series 2006B (the "Series 2006B Bonds"), (ii) advance refund certain portions of the outstanding Solano Community College District (Solano and Yolo Counties, California) 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds"), and (iii) pay the costs of issuing the Series A Bonds.

The Solano Community College District (Solano and Yolo Counties, California) 2014 General Obligation Refunding Bonds, Series B (Federally Taxable) (the "Series B Bonds," and, together with the Series A Bonds, the "Bonds"), are being issued by the District to (i) advance refund certain portions of the outstanding 2005 General Obligation Refunding Bonds, and (ii) pay the costs of issuing the Series B Bonds.

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

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 ("DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive certificates representing their interests in the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Bonds will be issued as current interest bonds, such that interest thereon shall accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2014. The Bonds are issuable 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 Wells Fargo Bank, National Association, the designated paying agent, bond registrar and transfer agent (in such capacity, the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Series A Bonds and the Series B Bonds are not subject to redemption prior to their stated maturity dates.

Maturity Schedules
(See inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel to the District. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, in New York, New York, on or about April 8, 2014.

PiperJaffray®

RBC Capital Markets®

Dated: March 12, 2014

MATURITY SCHEDULES

$10,645,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)
2014 General Obligation Refunding Bonds, Series A
(Federally Tax-Exempt)

Base CUSIP(1): 83412P

$10,645,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP(1)
2016	$140,000	4.000%	0.320%	DL3
2017	480,000	4.000	0.600	DM1
2018	465,000	5.000	0.950	DN9
2019	455,000	5.000	1.290	DP4
2020	440,000	5.000	1.700	DQ2
2023	8,665,000	5.000	2.650	DR0

$41,165,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)
2014 General Obligation Refunding Bonds, Series B
(Federally Taxable)

Base CUSIP(1): 83412P

$41,165,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP(1)
2014	$615,000	0.462%	0.462%	DS8
2015	380,000	0.562	0.562	DT6
2016	6,090,000	0.862	0.862	DU3
2017	6,390,000	1.384	1.384	DV1
2018	6,735,000	1.840	1.840	DW9
2019	7,125,000	2.290	2.290	DX7
2020	7,560,000	2.909	2.909	DY5
2021	2,935,000	3.209	3.209	DZ2
2022	3,335,000	3.504	3.504	EA6

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Underwriters nor the District make any representations regarding the selection or correctness of the CUSIP numbers set forth herein.

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 such municipal securities. The Bonds are not registered under the securities laws of any state. 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 pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or 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 and said public offering prices may be changed from time to time by the Underwriters.

The District maintains a website. However, the information presented on the District's website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

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SOLANO COMMUNITY COLLEGE DISTRICT

Board of Trustees

Pam Keith, *President*
A. Marie Young, *Vice President*
Monica Brown, *Trustee*
Sarah E. Chapman, Ph.D., *President*
Denis Honeychurch, J.D., *Trustee*
Michael A. Martin, *Trustee*
Rosemary Thurston, *Trustee*

District Administration

Jowel C. Laguerre, Ph.D., *Superintendent/President*
Yulian I. Ligioso, *Vice-President, Finance and Administration*
Diane White, *Interim Vice President - Academic Affairs*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

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

Financial Advisor

Public Financial Management
San Francisco, California

Paying Agent, Bond Registrar and Escrow Agent

Wells Fargo Bank, National Association
San Francisco, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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$51,810,000
SOLANO COMMUNITY COLLEGE DISTRICT
(Solano and Yolo Counties, California)

$10,645,000	**$41,165,000**
2014 General Obligation Refunding Bonds, Series A	**2014 General Obligation Refunding Bonds, Series B**
(Federally Tax-Exempt)	**(Federally Taxable**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the (i) Solano Community College District (Solano and Yolo Counties, California) 2014 General Obligation Refunding Bonds, Series A (Federally Tax-Exempt) (the "Series A Bonds"), and (ii) Solano Community College District (Solano and Yolo Counties, California) 2014 General Obligation Refunding Bonds, Series B (Federally Taxable) (the "Series B Bonds," and, together with the Series A Bonds, 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

The Solano Community 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 largely 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 ("Yolo County" and together with the County, the "Counties") which is part of the District. The District's single college, Solano Community College, was constructed in 1972 is located on a 192-acre campus in Fairfield, California and currently serves nearly 9,548 students per semester. Solano Community College is currently fully accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges. The District also operates an Education Center in Vacaville, California, which serves approximately 2,183 students per semester, and an Education Center in Vallejo, California, which serves approximately 2,325 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. The District has a 2013-14 assessed valuation of $39,085,717,031.

The governing board of the District is called the Board of Trustees (the "Board"). The Board includes seven voting members elected by the voters of the District (the "Trustees"). The Trustees serve four-year terms. Elections for Trustee 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 Board-appointed Superintendent/President. Jowel C. Laguerre, Ph.D. is the District's current Superintendent/President.

Purpose of the Bonds

Series A Bonds. The Series A Bonds are being issued to (i) advance refund certain portions of the outstanding Solano Community College District (Solano and Yolo Counties, California) Election of 2002 General Obligation Bonds, Series 2006B (the "Series 2006B Bonds"), (ii) advance refund certain portions of the outstanding Solano Community College District (Solano and Yolo Counties, California) 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds"), and (iii) pay the costs of issuing the Series A Bonds.

Series B Bonds. The Series B Bonds are being issued to (i) advance refund certain portions of the outstanding 2005 Refunding Bonds, and (ii) pay the costs of issuing the Series B Bonds.

The Series 2006B Bonds and 2005 Refunding Bonds to be refunded with the proceeds of the Bonds are collectively referred to herein as the "Refunded Bonds." See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

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 resolutions adopted by the Board of Trustees of the District. See "THE BONDS – Authority for Issuance" herein.

Security and Sources of Payment for the Bonds

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

See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased. 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 "– 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" "Bond Owners" or "Holders" of the Bonds (other than under the captions "INTRODUCTION – Tax Matters" and "TAX MATTERS," and in APPENDIX A) 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 in the denominations of $5,000 principal amount or any integral multiple thereof.

Redemption. The Series A Bonds and the Series B Bonds are not subject to redemption prior to their stated maturity dates. See also "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"), such interest to be payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2014 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1 in the amounts and years set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the designated paying agent, bond registrar and transfer agent (the "Paying Agent") to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. Wells Fargo Bank, National Association, San Francisco, California, has been appointed Paying Agent for the Bonds.

Tax Matters

Series A Bonds. 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 the compliance with certain covenants and requirements described herein, interest on the Series A 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 and corporations. In the further opinion of Bond Counsel, interest on the Series A Bonds is exempt from State of California personal income tax. In addition, the difference between the issue price of a Series A Bonds (the first price at which a substantial amount of the Series A Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Series A Bonds constitutes original issue discount, and the amount of original issue discount that accrues to the owner of the Series A Bonds is excluded from gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax. See "TAX MATTERS – Series A Bonds" herein.

Series B Bonds. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Series B Bonds is exempt from State of California personal income tax. See "TAX MATTERS – Series B Bonds" 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 April 8, 2014.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all property subject to taxation by the District, as further described herein. For more complete information regarding the District's financial condition and taxation of property within the District, see "SOLANO COMMUNITY COLLEGE DISTRICT" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Continuing Disclosure

The District will covenant for the benefit of 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, in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure" herein. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C.

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," "intend," "estimate," "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.

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. Public Financial Management, San Francisco, California is acting as Financial Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth and Public Financial Management will receive compensation from the District contingent upon the sale and delivery of the Bonds. Causey Demgen & Moore P.C., Denver, Colorado, is acting as verification agent for the Bonds.

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 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 such documents, statutes and constitutional provisions.

Certain of the 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 Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Section 53550 *et seq.*, and other applicable law, and pursuant to resolutions adopted by the Board of Trustees of the District on March 20, 2013 and February 19, 2014 (together, the "Resolution").

Security and Sources of Payment

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

The taxes described above will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the respective principal of and interest thereon when due. Such taxes, when collected, will be placed by the County in the respective Debt Service Funds (defined herein), which are each segregated and maintained by the County and which are designated for the payment of principal of and interest on the Series A Bonds and Series B Bonds, as applicable, when due, and for no other purpose. Although the Counties are obligated to levy *ad valorem* taxes for the payment of the Bonds, and the County will maintain the Debt Service Funds, the Bonds are not a debt of the Counties.

The moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, shall be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* 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 on the Bonds and the assessed value of taxable property in the District, may cause the respective annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, disruption in financial markets that may reduce the 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 the State of California (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 or toxic contamination, could cause a reduction in the assessed value of taxable property within the in 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.

Description of 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 for DTC. Purchasers will not receive certificates representing their interests in the Bonds. See "THE BONDS – Book Entry Only System" herein.

Interest with respect to the Bonds accrues from their date of delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2014. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Bond shall 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 immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2014, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the cover hereof.

The principal of the Bonds will be payable in lawful money of the United States of America to the registered owner thereof, upon the surrender thereof at the office of the Paying Agent. The interest on the Bonds will be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as the registered owner thereof as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed on such Bond Payment Date to such registered owner at such registered owner's address as it appears on such registration books or at such address as the registered owner may have filed with the Paying Agent for that purpose. The interest payments on the Bonds will be made in immediately available funds (e.g., by wire transfer) to any registered owner of at least $1,000,000 of outstanding Bonds who have requested in writing such method of payment of interest on the Bonds prior to the close of business on the Record Date immediately preceding any Bond Payment Date.

Annual Debt Service

The following table summarizes the annual debt service requirements of the District for the Bonds, assuming no optional redemptions are made:

	Series A Bonds		Series B Bonds		
Year Ending August 1	Annual Principal Payment	Annual Interest Payment(1)	Annual Principal Payment	Annual Interest Payment(1)	Total Annual Debt Service
2014	--	$165,121.25	$615,000.00	$271,187.37	$1,051,308.62
2015	--	526,050.00	380,000.00	861,118.46	1,767,168.46
2016	$140,000.00	526,050.00	6,090,000.00	858,982.86	7,615,032.86
2017	480,000.00	520,450.00	6,390,000.00	806,487.06	8,196,937.06
2018	465,000.00	501,250.00	6,735,000.00	718,049.46	8,419,299.46
2019	455,000.00	478,000.00	7,125,000.00	594,125.46	8,652,125.46
2020	440,000.00	455,250.00	7,560,000.00	430,962.96	8,886,212.96
2021	--	433,250.00	2,935,000.00	211,042.56	3,579,292.56
2022	--	433,250.00	3,335,000.00	116,858.40	3,885,108.40
2023	8,665,000.00	433,250.00	--	--	9,098,250.00
Total	$10,645,000.00	$4,471,921.25	$41,165,000.00	$4,868,814.59	$61,150,735.84

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2014.

See "SOLANO COMMUNITY COLLEGE DISTRICT – District Debt Structure" herein for a full debt service schedule of all of the District's outstanding general obligation bond debt.

Application and Investment of Bond Proceeds

Series A Bonds. The Series A Bonds are being issued to (i) advance refund certain portions of the Series 2006B Bonds, (ii) advance refund certain portions of the 2005 Refunding Bonds, and (iii) pay the costs of issuing the Series A Bonds.

Any accrued interest and surplus moneys from the sale of the Series A Bonds or following the redemption of the Series 2006B Bonds, shall be kept separate and apart in a fund designated as the "Solano Community College District, 2014 General Obligation Refunding Bonds, Series A Debt Service Fund" (the "Series A Debt Service Fund") and used only for payment of principal of and interest on the Series A Bonds, and for no other purpose. Any excess proceeds of the Series A Bonds not needed for the authorized purposes for which the Series A Bonds are being issued shall be transferred to the Series A Debt Service Fund and applied to the payment of principal of and interest on the Series A Bonds. If, after payment in full of the Series A Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Series B Bonds. The Series B Bonds are being issued to (i) advance refund certain portions of the 2005 Refunding Bonds, and (ii) pay the costs of issuing the Series B Bonds.

Any accrued interest and surplus moneys from the sale of the Series B Bonds or following the redemption of the 2005 Refunding Bonds, shall be kept separate and apart in a fund designated as the "Solano Community College District, 2014 General Obligation Refunding Bonds, Series B Debt Service Fund" (the "Series B Debt Service Fund" and together with the Series A Debt Service Fund, the "Debt Service Funds") and used only for payment of principal of and interest on the Series B Bonds, and for no other purpose. Any excess proceeds of the Series B Bonds not needed for the authorized purposes for which the Series B Bonds are being issued shall be transferred to the Series B Debt Service Fund and applied to the payment of principal of and interest on the Series B Bonds. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Escrow Sufficiency. The net proceeds from the sale of the Series A Bonds shall be paid to Wells Fargo Bank, National Association, acting as escrow agent (the "Escrow Agent"), to the credit of the "Solano Community College District 2014 General Obligation Refunding Bonds, Series A Escrow Fund" (the "Series A Escrow Fund"). The net proceeds from the sale of the Series B Bonds shall be paid to the Escrow Agent to the credit of the "Solano Community College District 2014 General Obligation Refunding Bonds, Series B Escrow Fund" (the "Series B Escrow Fund" and together with the Series A Escrow Fund," the "Escrow Funds"). Pursuant to an escrow agreement (the "Escrow Agreement") by and between the District and the Escrow Agent, amounts deposited in the respective Escrow Funds will be used to purchase certain Federal Securities (as such term is defined in the Resolution) the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the principal, redemption premium (if any), and interest due on the Refunded Bonds on the respective first optional redemption dates therefor, as well as the debt service due on each respective series of the Refunded Bonds on and before such dates.

The sufficiency of the securities and cash on deposit in the Escrow Funds, together with realizable interest and earnings thereon, to pay the redemption price of and the accrued interest due on the Refunded Bonds, on the above-referenced dates, will be verified by Causey Demgen & Moore P.C. (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Underwriters' and Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the Counties to levy *ad valorem* taxes for payment thereof will terminate.

Investment of Funds. Moneys in the Escrow Funds will be invested as described above, subject to the provisions of the Escrow Agreement. Moneys in the Debt Service Funds may be invested in any one or more investments generally permitted to community college districts under the laws of the State or as permitted by the Resolution. Moneys in the Debt Service Funds are expected to be invested through the Solano County Treasury Pool. See "SOLANO COUNTY TREASURY POOL" herein.

Refunded Bonds. The Refunded Bonds to be refunded by the proceeds of the Series A Bonds consist of those maturities of the Series 2006B Bonds and the 2005 Refunding Bonds listed in the following tables.

REFUNDED BONDS
Solano Community College District
General Obligation Bonds, Election of 2002, Series 2006B

Maturities to be Refunded (August 1)	CUSIP	Principal Amount to be Refunded	Accreted Value as of the Redemption Date	Redemption Date	Redemption Price (% of Par Amount)
2017	83412PAL6	$300,000.00	--	8/1/2016	100%
2018	83412PAM4	255,000.00	--	8/1/2016	100
2019	83412PAN2	200,000.00	--	8/1/2016	100
2020	83412PAP7	140,000.00	--	8/1/2016	100
2021	83412PAQ5	75,000.00	--	8/1/2016	100
2023	83412PAR3	1,485,000.00	--	8/1/2016	100
2023	83412PAS1	--	$5,634,278.80	8/1/2016	--

REFUNDED BONDS
Solano Community College District
2005 General Obligation Refunding Bonds

Maturities to be Refunded (August 1)	CUSIP	Principal Amount to be Refunded	Redemption Date	Redemption Price (% of Par Amount)
2016	834132BR2	$555,000.00	8/1/2015	100%
2017	834132BS0	610,000.00	8/1/2015	100
2018	834132BT8	660,000.00	8/1/2015	100
2019	834132BU5	720,000.00	8/1/2015	100
2020	834132BV3	785,000.00	8/1/2015	100
2021	834132BW1	310,000.00	8/1/2015	100
2022	834132BX9	360,000.00	8/1/2015	100

The Refunded Bonds to be refunded by the proceeds of the Series B Bonds consist of those maturities of the 2005 Refunding Bonds listed in the following tables.

REFUNDED BONDS
Solano Community College District
2005 General Obligation Refunding Bonds

Maturity Date (August 1)	CUSIP	Principal Amount to be Refunded	Redemption Date	Redemption Price (% of Par Amount)
2016	834132BR2	$5,295,000.00	8/1/2015	100%
2017	834132BS0	5,810,000.00	8/1/2015	100
2018	834132BT8	6,330,000.00	8/1/2015	100
2019	834132BU5	6,880,000.00	8/1/2015	100
2020	834132BV3	7,480,000.00	8/1/2015	100
2021	834132BW1	2,990,000.00	8/1/2015	100
2022	834132BX9	3,440,000.00	8/1/2015	100

A portion of the Series 2006B Bonds and a portion of the 2005 Refunding Bonds, as listed in the following tables, are not being refunded from proceeds of the Bonds.

UNREFUNDED BONDS
Solano Community College District
General Obligation Bonds, Election of 2002, Series 2006B

Maturity Date (August 1)	CUSIP	Unrefunded Principal Amount	Original Denominational Amount	Final Maturity Value
2014	83412PAH5	$415,00.00	--	--
2015	83412PAJ1	385,000.00	--	--
2016	83412PAK8	--	$112,169.25	$355,000.00
2024	83412PAT9	--	3,999,966.00	9,475,000.00
2025	83412PAU6	--	3,815,711.20	9,520,000.00
2026	83412PAV4	--	3,636,528.40	9,560,000.00
2027	83412PAW2	--	3,466,156.35	9,605,000.00
2028	83412PAX0	--	3,330,615.45	9,645,000.00
2029	83412PAY8	--	3,143,436.00	9,690,000.00
2030	83412PAZ5	--	2,992,441.65	9,735,000.00
2031	83412PBA9	$9,735,000.00	--	--

UNREFUNDED BONDS
Solano Community College District
2005 General Obligation Refunding Bonds

Maturity Date (August 1)	CUSIP	Unrefunded Principal Amount	Original Denominational Amount	Final Maturity Value
2014	834132BL5	$1,070,000.00	--	--
2014	834132BM3	3,550,000.00	--	--
2014	834132BN1	265,000.00	--	--
2015	834132BP6	1,510,000.00	--	--
2015	834132BQ4	3,825,000.00	--	--
2021	834132BY7	--	$839,559.50	$5,675,000.00
2022	834132BZ4	--	745,252.20	5,660,000.00

Redemption

The Series A Bonds and the Series B Bonds are not subject to redemption prior to their fixed maturity dates.

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 the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does 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 ("DTC"), New York, NY, 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 3.5 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 a Standard & Poor's 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.

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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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 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 caption "TAX MATTERS") will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Transfer and Exchange of Bonds

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the designated 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 on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying agent together with an assignment executed by the Owner of by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall register, 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 Transfer 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 (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business 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 applicable Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to 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 amounts transferred from the respective Debt Service Funds, if any, is sufficient to pay and discharge all Bonds outstanding and designated for defeasance, including all principal, interest and premium, 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 below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys transferred from the respective Debt Service Funds if any, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal, premium, if any, and interest due with respect thereto), 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 and the Paying Agent with respect to all 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 the 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, or 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 "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service ("Moody's") or Standard & Poor's Ratings Service, a Standard & Poor's Financial Services LLC business ("S&P"). 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 such obligations are rated or assessed at least as high as direct general obligations of the United States by either Standard & Poor's or "Aaa" by Moody's.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

	Series A Bonds	Series B Bonds
Sources of Funds		
Principal Amount of Bonds	$10,645,000.00	$41,165,000.00
Net Original Issue Premium	1,988,241.30	--
Total Sources	$12,633,241.30	$41,165,000.00
Uses of Funds		
Costs of Issuance[1]	$79,148.56	$307,273.54
Deposit to Escrow Funds	12,554,092.74	40,857,726.46
Total Uses	$12,633,241.30	$41,165,000.00

(1) Reflects all costs of issuance, including but not limited to the Underwriters' discount, demographics fees, legal fees, ratings fees, financial advisory fees and the costs and fees of the Verification Agent, Paying Agent and Escrow Agent. See "MISCELLANEOUS – Underwriting" herein.

SOLANO COUNTY TREASURY POOL

The information in this section has been obtained from the website of the Treasurer/Tax Collector/County Clerk for inclusion in this Official Statement. The District makes no representation as to the accuracy or completeness of such information. Further information may be obtained by contacting the Solano County, Office of the Treasurer/Tax Collector/County Clerk, 675 Texas Street, Suite 1900, Fairfield, CA 94533, Telephone 707-784-6295.

Most of the District's funds are held and invested at the County in the pooled investment fund managed by the Treasurer (the "Treasury Pool"). The Treasury Pool consists primarily of operating funds of the County and local agencies. State law requires that all moneys of the County, school districts, and certain special districts be deposited with the Treasurer. The governing boards of school districts and special districts within the County may allow, by appropriate board resolution, certain withdrawals of non-operating funds for investment outside the County Treasury Pool.

Funds held by the County in the County Treasury Pool are invested in accordance with the County's investment policy adopted on March 1, 2002, and authorized by section 53601 of the State Government Code. As of March 30, 2012, Standard & Poor's rated the County Treasury Pool "Aaf/S1" (adjusted from 'AAAf/S1' on August 8, 2011), based on its exposures to direct or indirect investments in U.S. Treasury and U.S. government agency securities that mature in more than one year. The ratings adjustment followed Standard & Poor's downgrade of the United States of America to 'AA+' on August 5, 2011. The County's investment policy is reviewed by the County Board of Supervisors annually. The policy statement sets forth the County's investment objectives, which are, in priority order, safety of principal, liquidity, and return on investment. In addition, the Treasurer prepares monthly and quarterly investment reports summarizing the current investment portfolio structure and yields.

As of January 31, 2014, the County Treasury Pool's market value was $799,106,635.53 and its book value (minus bond proceeds) was $769,813,609.74, with an average yield of 0.48%. The investment portfolio is summarized in the following table.

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Solano County Treasury
Statement of Assets
Month Ended January 31, 2014

Cash & Cash Equivalents	
Cash on Hand	$808,124.67
Cash in Bank	6,084,397.43
Cash in Money Markets	18,140,574.26
LAIF	49,420,414.59
Total Cash & Cash Equivalents	$74,453,510.95
Non-Cash Assets	
Total Non-Cash Assets	2,635,931.30
Investments	
Mutual Funds	36,159,836.17
Securities	671,821,958.00
Total Investments	707,981,794.17
Total Pooled Investment at Market Value	785,071,236.42
Mark to Market Equity	1,222,227.57
Total Pooled Investments at Book Value	783,849,008.85
Bond Proceeds	
Total Bond Proceeds	14,035,399.11
Total Assets at Market Value	**$799,106,635.53**
Net Asset Value of Pooled Investments[(1)]	**1.0016**

(1) Net Asset Value of Pooled Investments at Market Value is calculated by dividing Pooled Assets at Market Value by Pooled Assets at Book Value.

Source: Solano County Office of the Treasurer/Tax Collector/County Clerk.

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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 *taxes levied and collected by the Counties on taxable property in the District. 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 taxes. Assessed valuations are the same for both District 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. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. Each county levies and collects all property taxes for property falling within that county's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes are payable in two installments, due November 1 and February 1 respectively and become delinquent on December 10 and April 10 respectively. A 10% penalty attaches to any delinquent installment plus a $10 cost on the second installment. Property on the secured roll with delinquent taxes is sold to the State on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a $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 deeded to the State and is then subject to sale by the tax-collecting authority of the relevant county.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. 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.

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 of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will 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.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed and re-assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein. Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Property within the District has a total assessed valuation for fiscal year 2013-14 of $39,085,717,031. Shown in the following table are the assessed valuations for the District for the period 2001-02 through 2013-14.

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ASSESSED VALUATIONS
Fiscal Years 2001-02 through 2013-14
Solano Community College District

Solano County Portion

	Local Secured	Utility	Unsecured	Total
2001-02	$23,147,776,920	$43,197,430	$979,210,273	$24,170,184,623
2002-03	25,256,821,537	58,650,852	1,073,072,978	26,388,545,367
2003-04	27,717,753,389	53,590,292	1,170,474,723	28,941,818,404
2004-05	30,283,422,150	42,177,488	1,272,051,544	31,597,651,182
2005-06	34,243,763,823	40,782,128	1,287,878,367	35,572,424,318
2006-07	38,947,246,817	28,897,313	1,320,728,711	40,296,872,841
2007-08	42,842,525,946	26,681,294	1,411,625,698	44,280,832,938
2008-09	42,390,158,789	27,061,539	1,408,915,829	43,826,136,157
2009-10	37,628,032,094	28,905,404	1,512,572,552	39,169,510,050
2010-11	36,176,872,407	25,046,491	1,474,302,781	37,676,221,679
2011-12	35,626,101,835	41,108,951	1,482,888,181	37,150,098,967
2012-13	35,557,585,015	32,082,393	1,492,507,728	37,082,175,136
2013-14	36,880,000,201	30,238,745	1,500,938,244	38,411,177,190

Yolo County Portion

	Local Secured	Utility	Unsecured	Total
2001-02	$350,304,432	$22,038	$17,074,591	$367,401,061
2002-03	382,955,057	22,038	18,644,678	401,621,773
2003-04	423,166,936	22,038	17,734,543	440,923,517
2004-05	485,424,914	156,301	18,271,361	503,852,576
2005-06	534,053,825	155,713	23,873,507	558,083,045
2006-07	599,305,450	45,060	22,813,670	622,164,180
2007-08	638,707,631	45,060	23,975,398	662,728,089
2008-09	658,992,686	45,060	32,823,430	691,861,176
2009-10	651,323,223	75,890	30,774,050	682,173,163
2010-11	607,370,368	75,890	29,038,793	636,485,051
2011-12	605,967,720	75,890	27,873,269	633,916,879
2012-13	611,422,337	75,890	30,669,969	642,168,196
2013-14	639,653,956	62,800	34,823,085	674,539,841

Total District

	Local Secured	Utility	Unsecured	Total
2001-02	$23,498,081,352	$43,219,468	$996,284,864	$24,537,585,684
2002-03	25,639,776,594	58,672,890	1,091,717,656	26,790,167,140
2003-04	28,140,920,325	53,612,330	1,188,209,266	29,382,741,921
2004-05	30,768,847,064	42,333,789	1,290,322,905	32,101,503,758
2005-06	34,777,817,648	40,937,841	1,311,751,874	36,130,507,363
2006-07	39,546,552,267	28,942,373	1,343,542,381	40,919,037,021
2007-08	43,481,233,577	26,726,354	1,435,601,096	44,943,561,027
2008-09	43,049,151,475	27,106,599	1,441,739,259	44,517,997,333
2009-10	38,279,355,317	28,981,294	1,543,346,602	39,851,683,213
2010-11	36,784,242,775	25,122,381	1,503,341,574	38,312,706,730
2011-12	36,232,069,555	41,184,841	1,510,761,450	37,784,015,846
2012-13	36,169,007,352	32,158,283	1,523,177,697	37,724,343,332
2013-14	37,519,654,157	30,301,545	1,535,761,329	39,085,717,031

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, 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 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 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 rate levied by the Counties to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations

Under California 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, 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, an 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.

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

Assessed Valuation and Parcels by Land Use

The following table presents a breakdown of the District's fiscal year 2013-14 secured assessed valuation and parcels by land use.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2013-14
Solano Community College District

Non-Residential:	2013-14 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Agricultural	$867,099,360	2.31%	3,094	2.35%
Commercial/Office/Recreational	3,761,320,981	10.02	3,069	2.33
Vacant Commercial	329,560,348	0.88	712	0.54
Industrial	4,833,350,231	12.88	1,162	0.88
Vacant Industrial	242,549,824	0.65	529	0.40
Government/Social/Institutional	106,378,586	0.28	599	0.46
Subtotal Non-Residential	$10,140,259,330	27.03%	9,165	6.96%
Residential:				
Single Family Residence	$23,618,419,599	62.95%	106,350	80.81%
Condominium/Townhouse	939,752,732	2.50	8,705	6.61
Mobile Home	51,063,169	0.14	1,137	0.86
Mobile Home Park	81,092,746	0.22	53	0.04
2+ Residential Units/Apartments	2,271,088,846	6.05	3,541	2.69
Miscellaneous Residential	8,005,285	0.02	60	0.05
Vacant Residential	409,972,450	1.09	2,597	1.97
Subtotal Residential	$27,379,394,827	72.97%	122,443	93.04%
Total	$37,519,654,157	100.00%	131,608	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation by Jurisdiction

The following table displays the fiscal year 2013-14 assessed valuation by jurisdiction within the District.

ASSESSED VALUATION BY JURISDICTION(1)
Fiscal Year 2013-14
Solano Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Benicia	$4,884,783,945	12.50%	$4,884,783,945	100.00%
City of Dixon	1,676,583,372	4.29	1,676,583,372	100.00
City of Fairfield	10,140,159,487	25.94	10,140,159,487	100.00
City of Suisun	1,698,515,598	4.35	1,698,515,598	100.00
City of Vacaville	9,530,947,280	24.38	9,530,947,280	100.00
City of Vallejo	7,557,429,960	19.34	7,557,429,960	100.00
City of Winters	436,124,186	1.12	436,124,186	100.00
Unincorporated Solano County	2,922,757,548	7.48	4,629,317,124	63.14
Unincorporated Yolo County	238,415,655	0.61	3,841,259,033	6.21
Total District	$39,085,717,031	100.00%		
Total Solano County	$38,411,177,190	98.27%	$41,035,755,196	93.60%
Total Yolo County	674,539,841	1.73	20,675,160,732	3.26
Total District	$39,085,717,031	100.00%		

(1) Before deduction of redevelopment incremental valuation.
Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single Family Homes

The following table displays the fiscal year 2013-14 assessed valuation of single family residential parcels within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2013-14
Solano Community College District

	No. of Parcels	2013-14 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	106,350	$23,618,419,599	$222,082	$200,516

2013-14 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	164	0.154%	0.154%	$3,160,363	0.013%	0.013%
25,000 – 49,999	3,380	3.178	3.332	140,415,719	0.595	0.608
50,000 – 74,999	5,124	4.818	8.150	316,492,418	1.340	1.948
75,000 – 99,999	4,976	4.679	12.829	437,870,613	1.854	3.802
100,000 – 124,999	7,223	6.792	19.621	820,007,728	3.472	7.274
125,000 – 149,999	9,782	9.198	28.819	1,347,282,165	5.704	12.978
150,000 – 174,999	11,082	10.420	39.239	1,799,806,775	7.620	20.598
175,000 – 199,999	11,145	10.480	49.719	2,080,979,455	8.811	29.409
200,000 – 224,999	9,130	8.585	58.304	1,937,435,346	8.203	37.612
225,000 – 249,999	8,225	7.734	66.038	1,950,592,012	8.259	45.871
250,000 – 274,999	7,491	7.044	73.081	1,962,464,774	8.309	54.180
275,000 – 299,999	6,485	6.098	79.179	1,861,829,893	7.883	62.063
300,000 – 324,999	5,056	4.754	83.933	1,572,995,115	6.660	68.723
325,000 – 349,999	3,945	3.709	87.643	1,327,965,372	5.623	74.346
350,000 – 374,999	2,910	2.736	90.379	1,052,361,750	4.456	78.801
375,000 – 399,999	2,409	2.265	92.644	933,047,785	3.951	82.752
400,000 – 424,999	1,812	1.704	94.348	745,377,449	3.156	85.908
425,000 – 449,999	1,228	1.155	95.503	536,280,773	2.271	88.178
450,000 – 474,999	917	0.862	96.365	423,165,889	1.792	89.970
475,000 – 499,999	751	0.706	97.071	365,396,297	1.547	91.517
500,000 and greater	3,115	2.929	100.000	2,003,491,908	8.483	100.000
Total	106,350	100.000%		$23,618,419,599	100.000%	

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

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. A supplemental tax is levied when property changes hands or new construction is completed.

A 10% penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty (i.e., interest) to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the tax-collecting authority of the relevant county.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien is recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (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 taxpayer; (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 taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

The Counties levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes for property falling within the Counties' taxing boundaries.

Secured tax charges and delinquency information is not available for the Yolo County portion of the District. The annual secured tax levies and delinquencies for fiscal years 2007-08 through 2012-13 are shown below.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2007-08 through 2012-13
Solano Community College District
(Solano County Portion Only)

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2007-08	$6,162,169.79	$417,153.22	6.77%
2008-09	6,209,063.80	310,186.12	5.00
2009-10	6,769,532.41	205,436.44	3.03
2010-11	6,888,250.31	153,754.31	2.23
2011-12	7,007,624.58	122,822.68	1.75
2012-13	6,958,213.70	98,199.05	1.41

[1] Bond debt service levy.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

The Board of Supervisors of each of the Counties has 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 Section 4701 *et seq.* of the California Revenue and Taxation Code. 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 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 *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan of each of the Counties, beginning in the first year of such levy. The District will receive 100% of the *ad valorem* property tax levied to pay the 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 Board of Supervisors of a county 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.

Tax Rates

Representative tax rate areas ("TRAs") located within the District are Tax Rate Areas 1-000, 1-003, and 7-000. The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in these TRAs during the five-year period from 2009-10 through 2013-14.

TYPICAL TAX RATES
Fiscal Years 2009-10 through 2013-14
Solano Community College District

TRAs 1-000 and 1-003 – 2013-14 Assessed Valuation: $2,232,726,254 and $1,479,211,399

	2009-10	2010-11	2011-12	2012-13	2013-14
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
City of Benicia	.017270	.017130	.016460	.015360	.014330
Benicia Unified School District	.078816	.083916	.082689	.088092	.087074
Solano Community College District	.018461	.019449	.020156	.020598	.039549
Solano County State Water Project	.020000	.020000	.020000	.020000	.020000
Total Tax Rate	1.134547%	1.140495%	1.139305%	1.144050%	1.160953%

TRA 7-000 – 2013-14 Assessed Valuation: $3,724,954,659

	2009-10	2010-11	2011-12	2012-13	2013-14
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Vallejo Unified School District	.089662	.113468	.100704	.096701	.101153
Solano Community College District	.018461	.019449	.020156	.020598	.039549
Solano County State Water Project	.020000	.020000	.020000	.020000	.020000
Total Tax Rate	1.128123%	1.152917%	1.140860%	1.137299%	1.160702%

Source: California Municipal Statistics, Inc.

Largest Property Owners

The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2013-14 secured assessed valuations.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2013-14
Solano Community College District

	Property Owner	Primary Land Use	2013-14 Assessed Valuation	% of Total[(1)]
1.	Genentech Inc.	Industrial	$1,065,189,342	2.84%
2.	Valero Refining Company California	Industrial	1,034,861,671	2.76
3.	Anheuser Busch Inc.	Industrial	317,074,803	0.85
4.	Star-West Solano LLC	Commercial	172,333,695	0.46
5.	Walton CWCA BN WRHS 21 LLC	Industrial	122,430,600	0.33
6.	Alza Corporation	Industrial	111,073,411	0.30
7.	CPG Finance II LLC	Commercial	99,669,334	0.27
8.	Centro Watt Property Owner II	Commercial	97,025,314	0.26
9.	Wal-Mart Real Estate Business Trust	Commercial	96,643,336	0.26
10.	NT Dunhill I LLC	Commercial	89,901,622	0.24
11.	Meyer Cookware Industries Inc.	Industrial	86,308,965	0.23
12.	Park Management Corp.	Theme Park	70,000,000	0.19
13.	Novartis Pharmaceuticals Corp.	Industrial	69,714,191	0.19
14.	Prime Ascot LP	Apartments	57,082,444	0.15
15.	6801 Leisure Town Road Apartment Investors	Apartments	53,560,511	0.14
16.	Sequoia Equities-River Oaks	Apartments	53,435,877	0.14
17.	N/A Rolling Oaks-88 LP	Apartments	53,154,223	0.14
18.	Lucky (FLA) Nocal Investor LLC	Industrial	50,876,404	0.14
19.	Costco Wholesale Corp.	Commercial	49,622,841	0.13
20.	Lennar Mare Island LLC	Residential Development	48,187,126	0.13
			$3,798,145,710	10.12%

(1) 2013-14 Total Secured Assessed Valuation: $37,519,654,157.
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"),dated as of February 10, 2014, prepared by California Municipal Statistics, Inc. for debt issued as of March 1, 2014. 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

2013-14 Assessed Valuation:$39,085,717,031

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/14
Solano County Community College District	**100.000%**	**$215,021,989** (1)
Benicia Unified School District	100.000	26,140,492
Dixon Unified School District	100.000	27,403,930
Fairfield-Suisun Joint Unified School District	98.768	77,399,543
Vacaville Unified School District	100.000	83,710,957
Vallejo Unified School District	100.000	76,085,000
Winters Joint Unified School District	100.000	3,130,000
Cities	100.000	16,024,518
Fairfield Municipal Park District, I.D. No. 1	100.000	6,950,000
Community Facilities Districts	100.000	103,219,469
1915 Act Bonds	100.000	49,384,452
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$684,470,350
OVERLAPPING GENERAL FUND DEBT:		
Solano County Certificates of Participation	93.604%	$99,267,042
Solano County Pension Obligations	93.604	64,535,278
Solano County Office of Education Certificates of Participation	93.604	1,558,507
Yolo County and Board of Education Certificates of Participation	3.263	1,068,275
Unified School District General Fund Obligations	98.768 – 100.000	90,782,486
City of Fairfield Pension Obligations	100.000	36,135,000
City of Vallejo General Fund Obligations	100.000	44,594,262
Other City General Fund Obligations	100.000	24,474,501
TOTAL OVERLAPPING GENERAL FUND DEBT		$362,415,351
OVERLAPPING TAX INCREMENT DEBT:		$167,046,383 (2)
COMBINED TOTAL DEBT		$1,213,932,084 (3)

Ratios to 2013-14 Assessed Valuation:
Direct Debt ($215,201,989)... 0.55%
Total Direct and Overlapping Tax and Assessment Debt............. 1.75%
Combined Total Debt 3.11%

Ratios to Redevelopment Incremental Valuation ($8,708,013,325):
Total Overlapping Tax Increment Debt.. 1.92%

(1) Excludes the Bonds.
(2) Excludes lease payment obligations associated with the District's QECBs (defined herein).
(3) 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 *tax levied by the Counties 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 materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 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 the 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 adjusted base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate 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*, 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 (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) 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 (c) 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 fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds of all members of the State legislature to change any State taxes for the purpose of increasing tax revenues.

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, 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 California State Supreme Court have upheld the general validity of Article XIIIA.

Unitary 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 ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("SBE") as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the 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.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. 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 education financing formula. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" and "SOLANO COMMUNITY COLLEGE DISTRICT" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, 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 to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to school districts and community college districts to mean the percentage change in the average daily attendance of the school district or community college 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 the 1986-87 fiscal year 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 fifty percent 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" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including community college 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 California 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 community college 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 California 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 one percent *ad valorem* property tax levied and collected by the Counties pursuant to Article XIIIA of the California Constitution. 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, voters in the State 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, 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-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the 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 would be 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 would 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 Legislature or a court might not interpret the Accountability Act to require a different percentage of 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 Governor's Budget.

On June 5, 1990, the voters of the State 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 school funding priority and allocation.

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 California 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 school 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 the schools' 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, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded 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. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor of the State of California (the "Governor"), which 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) 40.9% of State general fund revenues (the "first test") 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 (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools 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 the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "Proposition 39") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by fifty-five percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current one percent 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 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-12 school districts, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to one percent of the value of property, and 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 buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The fifty-five percent 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 school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school 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 placed certain limitations on local school facilities bonds to be approved by fifty-five percent of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary or high school district), or $25 (for a community college district), per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California 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 schools or community colleges, (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 does allow 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 the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools 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 schools and community colleges, 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, will be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA - Dissolution of Redevelopment Agencies."

Proposition 30

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. Beginning in the taxable year commencing January 1, 2012 and through the taxable year ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $608,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases will be 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 schools 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 ("ADA") and no community college district will receive less than $100 per full time equivalent student. 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 boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Jarvis v. Connell

On May 29, 2002, the California 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 of California (the "State Controller")). 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 California 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 California Supreme Court upheld the holding of the Court of Appeal, stating that the State 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 State 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.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 39, 22, 26 and 30 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 colleges 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 State revenues. The Bonds are payable from the proceeds of an ad valorem *tax required to be levied by the Counties in an amount sufficient for the payment thereof.*

Major Revenues

California community college districts (other than Basic Aid Districts, as described below) receive, on average, approximately 52 percent of their funds from the State, 44 percent from local sources, and 4 percent from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery (which is less than 3 percent), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

A bill passed the State's legislature ("SB 361"), and signed by the Governor on September 29, 2006, established the present system of funding for community college districts. This system includes allocation of state general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the "Board of Governors") in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors was required to acknowledge community college districts' need to receive an annual allocation based on the number of colleges and comprehensive centers in each respective district, plus funding received based on the number of credit and noncredit full time equivalent students ("FTES") in each district.

SB 361 also specifies that, commencing with the 2006-07 fiscal year the minimum funding per FTES will be: (a) not less than $4,367 per credit FTES (subject to cost of living adjustments funded through the budget act in subsequent fiscal years); (b) at a uniform rate of $2,626 per noncredit FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years); and (c) set at $3,092 per FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years) for a new instructional category of "career development and college preparation" ("CDCP") enhanced non-credit rate. Pursuant to SB 361, the Chancellor of the California Community Colleges (the "Chancellor") developed criteria for one-time grants for districts that would have received more funding under the prior system or a proposed rural college access grant, than under the new system.

Local revenues are first used to satisfy District expenditures. The major local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues for the District. Property taxes and student enrollment fees are applied towards fulfilling the District's financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the legislature to the District. The sum of the property taxes, student enrollment fees, and State aid generally comprise the District's revenue limit.

"Basic Aid" community college districts are those districts whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program-based model. Basic Aid districts do not receive any funds from the State. The current law in California allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that the legislatively determined annual cost of living adjustment 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 determinant factors. The District is not a Basic Aid district.

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 and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State, however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

Tax Shifts and Triple Flip

Assembly Bill No. 1755 ("AB 1755"), introduced February 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools, including community college districts. On July 29, 2003, the Assembly amended Senate Bill

No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund ("ERAF") shift to $135 million. Legislation commonly referred to as the "Triple Flip" was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip," one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues.

Budget Procedure

On or before August 15, the Board of Trustees of the District is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges, 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 June 10 a proposed State budget is presented by the governor to the legislature. The Governor's 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 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 statewide governing board of the California community colleges (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 California'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 budgets.

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

General. In 1988, California 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 May 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" 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 cost of living adjustment ("COLA") for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

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 1989-90. 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 education 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 community colleges and K-12 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.

A third formula, established pursuant to Proposition 111 as "Test 3," 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 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.

On November 2, 2004, California 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 schools or community colleges, (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 does allow 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 the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools 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 schools and community colleges, 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 will 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, will be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Dissolution of Redevelopment Agencies

On December 30, 2011, the California 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 California 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 California 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 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 Department of Finance 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 District 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 [pass-through] 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 revenue limit apportionments may be offset by the future receipt of pass-through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

State Assistance

California community college districts' principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, none of the District, the Financial Advisor or the Underwriters guaranty the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or 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 *tax required to be levied by the Counties in an amount sufficient for the payment thereof.*

2013-14 Budget. On June 27, 2013, the Governor signed into law the State budget for fiscal year 2013-14 (the "2013-14 Budget"). In July 2013, the Legislative Analyst's Office (the "LAO") released a preliminary version of a report entitled "California Spending Plan" which outlined key provisions of the 2013-14 Budget. The LAO released the final version of the California Spending Plan in November of 2013, updated to reflect various budget-related bills signed by the Governor between July and October of 2013. The following information is drawn from the final version of the California Spending Plan.

The 2013-14 Budget generally adopted the revenue projections previously included in the Governor's May revision to the proposed budget. However, the 2013-14 Budget also adopted certain LAO estimates regarding tax increment revenue collections and baseline property tax revenues. The 2013-14 Budget projected total general fund revenues for fiscal year 2012-13 of $98.2 billion, and general fund expenditures of $95.7 billion. The 2013-14 Budget projected that the State would end the 2012-13 fiscal year with a $254 million general fund surplus. For fiscal year 2013-14, general fund revenues were projected at $97.1 billion and expenditures at $96.3, leaving the State with a projected general fund surplus for fiscal year 2013-14 of approximately $1.1 billion. As adopted, the 2013-14 Budget did not reflect the adoption of Senate Bill 105 in September of 2013, which appropriated $315 million of general fund support to the State Department of Corrections and Rehabilitation. After accounting for this legislation, the LAO estimated the projected general fund surplus for fiscal year 2013-14 to be approximately $700 million.

For fiscal year 2012-13, the Proposition 98 minimum funding guarantee was set at $56.5 billion, including $40.5 billion of support from the State general fund. This funding level was approximately $2.9 billion higher than that set by the adopted budget for fiscal year 2012-13. The increase was due largely to an increase in State general fund revenues that count towards the minimum funding guarantee, as well as a growth in baseline property tax revenues. Although the minimum funding guarantee was higher, fiscal year 2012-13 local property tax collections were $734 million lower than projected by the prior State budget. This difference largely resulted from of lower-than projected tax increment revenue collections. As a result, the State general fund cost to support the fiscal year 2012-13 minimum funding guarantee increased by approximately $3.7 billion.

For fiscal year 2013-14, the Proposition 98 minimum funding guarantee was set at $55.3 billion, including $39.1 billion of support from the State general fund. This funding level reflected a total decline of $1.2 billion from the prior year, and resulted largely from certain provisions of Proposition 98 that excluded a portion of the prior-year appropriation from the calculation of the minimum funding guarantee for fiscal year 2013-14. These provisions were designed to prevent funding appropriations from permanently increasing the minimum funding guarantee in future years, and were implemented when, as in fiscal year 2012-13, the minimum funding guarantee increased at a much faster rate than per capita personal income. The 2013-14 Budget also projected that property tax collections will be approximately $215 million higher than the prior year, such that the State general fund cost to support the fiscal year 2013-14 minimum funding guarantee would be reduced. The budget package authorized a general fund backfill for school districts and community college districts if redevelopment agency property tax revenues came in lower than anticipated.

The 2013-14 Budget provided $6 billion of Proposition 98 funding for community college districts, including $3.7 billion from the general fund, with ongoing funding per FTES increasing from $5,524 in fiscal year 2012-13 to $5,792 in fiscal year 2013-14. Significant features related to funding of community colleges included:

- *Base Funding.* $89.4 million to fund enrollment growth, and $87.5 million to fund a cost-of-living adjustment to general purposes apportionment funding.
- *Deferral Reduction.* Since 2002, the State has engaged in the practice of deferring certain apportionments to school districts in order to manage the State's cash flow. This practice has included deferring certain apportionments from one fiscal year to the next. The 2013-14 Budget includes $178.6 million of Proposition 98 funding to reduce fiscal year 2012-13 apportionment deferrals, and $30 million to reduce fiscal year 2013-14 deferrals. This will reduce outstanding community college deferrals to $592 million by the end of the 2013-14 fiscal year.
- *Proposition 39 Implementation* – Proposition 39 (approved at the November 2012 general election) increases state corporate tax revenues and requires that, for a five year period beginning in fiscal year 2013-14, a portion of these revenues be applied to energy efficiency and alternative energy projects. The 2013-14 Budget allocates the entire increase associated with these supplemental corporate tax revenues to the calculation of the minimum funding guarantee, and appropriates a total of $467 million for Proposition 39-related programs and support. This includes $47 million for a new energy project grant program for community

college districts. The Chancellor is provided discretion on how to allocate this funding. Community college districts must prioritize projects according to certain criteria, such as the age of facilities to be improved, and must receive approval from the California Energy Commission ("CEC") for projects prior to expending funds. The 2013-14 Budget also provides $28 million to the CEC to provide low and no-interest loans to school districts, charter schools, community college districts, and county offices of education for eligible energy projects and technical assistance.

- *Career Technical Education Pathways Grant Program* – $250 million in one-time Proposition 98 funding to create the California Career Pathways Trust, the primary purpose of which will be to improve linkages between career technical (vocational) programs and schools and community colleges, as well as between K-14 education and local businesses. The program authorizes several types of activities, such as creating new technical programs and curriculum. The program is open to school districts, county offices of education, charter schools and community college districts. Funds will be allocated through a competitive grant process, and the State Superintendent of Instruction, in consultation with the Community College Chancellor's Office and interested business organizations, is charged with reviewing grant applications. Grant funds will be available for expenditure in fiscal years 2013-14 through 2015-16. By December 1, 2014, grant recipients must report to the State Legislature and the Governor of program outcomes.
- *Adult Education.* $25 million of Proposition 98 funding for a new Adult Education Consortium Program. School districts and community college districts that form regional consortia are eligible to apply for funds. While the funds are allocated to the State budget for community college districts, the 2013-14 Budget charges both the State Department of Education and the Chancellor's Office with awarding grants to consortium applicants. The grants, which may be spent over two years, are to be used by consortium members to develop joint plans for serving adult learners in their area. The 2013-14 Budget also shifts the school district-run apprenticeship program (a type of adult education relating to job training) to community college districts.
- *Online Courses.* $16.9 million of Proposition 98 funding to fund a new community college technology initiative designed to increase student access to high-quality online courses and provide alternative means for students to earn college credits. The majority of the funding is intended to support the acquisition of a common learning management system for the community college system. Other projects include the creation of an online course inventory that would be offered by a consortium of community colleges to students Statewide, a single online portal for course selection and access, centralized and round-the-clock technical and tutorial support for online students, additional professional development for faculty teaching online courses, and the development of standardized tests to allow students to obtain academic credit for learning outside of the traditional classroom setting.
- *Categorical Programs*. $118 million of base augmentations to various categorical programs, including (i) $50 million for Student Success and Support program to fund services such as academic counseling and orientation (with an allowance to use up to $14 million to augment technology programs for electronic transcripts, electronic planning tools and a common assessment system), (ii) $15 million for Extended Opportunities Programs and Services to provide academic and financial support services for underprepared or financially needy students, (iii) $15 million for the Disable Students Program and Services, (iv) $8 million for various services provided to colleges students through the CalWORKs program, (v) $30 million in one-time funding to the Physical Plant and Instructional Support Program, to fund facility maintenance projects and instructional equipment purchases, and (vi) $150,000 to

support a joint community college-California State University common course numbering initiative.

For additional information regarding the State's budgets and revenue projections and a more detailed description of the 2013-14 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Fiscal Outlook Report. In November 2013, the LAO released a summary of its revised projections for State general fund tax revenues and related spending (the "Fiscal Outlook Report"). The following information is drawn from the Fiscal Outlook Report.

The Fiscal Outlook Report provided the LAO's projections of the State's general fund revenues and expenditures for fiscal years 2013-14 through 2019-20 under current law. The LAO's projections primarily reflected current-law spending requirements and tax provisions, while relying on the LAO's independent assessment of the outlook for the State's economy, demographics, revenues, and expenditures.

The LAO projects that the State will have a $5.6 billion general fund reserve at the end of fiscal year 2014-15. This projected reserve is the sum of (i) a $234 million ending reserve for fiscal year 2012-13, (ii) a $2.2 billion projected operating surplus in fiscal year 2013-14 and (iii) a $3.2 billion projected operating surplus in fiscal year 2014-15.

The LAO currently projects that general fund revenue for fiscal year 2012-13 will be $99.8 billion (approximately $1.65 billion higher than projected in the State's 2013-14 Budget). This increase is principally due to higher than expected personal income tax collections. As a result the LAO currently projects that the Proportion 98 minimum funding guarantee for fiscal year 2012-13 will be $58.2 billion (approximately $1.74 billion more than was projected in the 2012-13 Budget), including $42.2 billion of support from the State's general fund (approximately $1.75 billion more than was assumed in the 2013-14 Budget). The higher State revenues result in more than a dollar-for-dollar increase in the Proposition 98 minimum funding guarantee due to the State's decision to make maintenance factor payments under Test 1 of Proposition 98. The State will be making a $5.4 billion maintenance factor payment in fiscal year 2012-13, which will leave approximately $5.6 billion in outstanding maintenance factor). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98 and 111" herein.

For fiscal year 2013-14, the LAO currently projects an operating surplus of approximately $1.1 billion higher than was assumed in the 2013-14 Budget. This projection is based primarily on $4.7 billion in higher revenues, largely due to (i) approximately $5.2 billion in higher-than-assumed personal income tax collections, (ii) approximately $3.1 billion in higher-than-assumed general fund Proposition 98 spending, and (iii) $300 million in higher-than-assumed non-Proposition 98 general fund spending. The LAO currently projects that Proposition 98 minimum funding guarantee for fiscal year 2013-14 will be $57.96 billion (approximately $2.67 billion more than was projected in the 2013-14 Budget), including $42.1 billion of support from the State's general fund (approximately $3.07 billion more than was assumed in the 2013-14 Budget). This projected increase in the general fund Proposition 98 funding is due in part to the LAO's forecast that local property taxes will be $393 million lower than assumed in 2013-14 Budget. In fiscal year 2013-14, the LAO estimates that a $941 million maintenance factor will be created (increasing the State's outstanding maintenance factor to approximately $6.8 billion).

For fiscal year 2014-15, the LAO projects an operating surplus of approximately $3.2 billion. This projection is based primarily on the LAO's assumption that: (i) general fund revenues will increase to $107.62 billion ($5.8 billion more than projected 2013-14 general fund revenues of $101.85 billion),

(ii) approximately $3.3 billion in higher general fund Proposition 98 minimum funding spending over the projected fiscal year 2013-14 levels and (iii) $1.5 billion in higher non-Proposition 98 general fund spending over projected fiscal year 2013-14 levels. The LAO currently projects that Proposition 98 minimum funding guarantee for fiscal year 2014-15 will be $62.2 billion, including $45.4 billion of support from the State's general fund.

The Fiscal Outlook Report provides projections through fiscal year 2019-20. While the LAO projects that the Proposition 98 minimum funding guarantee will increase to $73.7 billion in fiscal year 2019-20, the LAO currently projects that the general fund contribution to Proposition 98 funding over that period will only increase to $49.1 billion due to expected increases in property tax revenues. The LAO also notes, that under their current forecast, the State will be unable to meet the time frame it set for full implementation of the LCFF. By 2019-20, the LAO currently forecasts that the State can fund approximately 90% of the full LCFF cost. See – "DISTRICT FINANCIAL MATTERS – State Funding of Education" herein.

Additional information regarding the Fiscal Outlook Report may be obtained from the LAO at www.lao.ca.gov. However, such information is not incorporated herein by any reference.

Governor's Proposed 2014-15 Budget. On January 9, 2014, the Governor released his proposed State budget for fiscal year 2014-15 (the "Proposed Budget"). The LAO has released a series of reports summarizing the provisions of the Proposed Budget, including "2014-15 Budget: Overview of the Governor's Budget," "2014-15 Budget: Proposition 98 Education Analysis" and "2014-15 Budget: Analysis of the Higher Education Budget." The following information is drawn from such reports.

The Proposed Budget projects that, for fiscal years 2012-13 and 2013-14 combined, general fund revenues and transfers will be $4.8 billion higher than that projected by the 2013-14 Budget. In addition, the Proposed Budget provides for a $558 million upward fund balance adjustment to the ending balance for fiscal year 2011-12, and certain other prior years, related mainly to revenue accruals. The Proposed Budget assumes that the current economic recovery will accelerate in fiscal year 2014-15, leading to broad-based improvements in the State and federal economies. As a result, the Proposed Budget projects that State general fund revenues will exceed expenditures over the next three fiscal years.

The Proposed Budget assumes, for fiscal year 2013-14, total general fund revenues of $100.1 billion and total expenditures of $98.5 billion. The State is projected to end the 2013-14 fiscal year with a general fund surplus of $3 billion. For fiscal year 2014-15, the Proposed Budget assumes total general fund revenues of $106.1 billion and authorizes expenditures of $106.8 billion. The State is projected to end the 2014-15 fiscal year with a $2.3 billion general fund surplus. This projected reserve is a combination of $693 million in the State's general fund traditional reserve, and an authorized deposit of $1.6 billion into the Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

The Proposed Budget provides an $11.8 billion total increase in Proposition 98 spending over three fiscal years. Of this amount, $3.7 billion is retroactively allocated to fiscal years 2012-13 and 2013-14, resulting in revisions to the Proposition 98 minimum funding guarantee for these years. For fiscal year 2012-13, the guarantee is revised at $58.3 billion, an increase of $1.9 billion over the level set by the fiscal year 2013-14 budget. For fiscal year 2013-14, the Proposition 98 minimum funding guarantee is revised to $56.8 billion, an increase of $1.5 billion over the prior level. For both fiscal years, the Proposed Budget allocates the bulk of the increased funding to retire outstanding school district and community college district apportionment deferrals, as further discussed herein.

For fiscal year 2014-15, the Proposed Budget sets the minimum funding guarantee at \$61.6 billion, including \$45.1 billion from the general fund. This reflects an increase of \$4.7 billion, or 8%, from the revised level for fiscal year 2013-14. The increase is driven by a strong year-to-year growth in general fund revenues and increases in property tax collections. With respect to community college districts, the Proposed Budget provides a total of \$6.7 billion in Proposition 98 funding, including \$4.4 billion from the State general fund, an increase of \$489 million (or 7.3%) from the revised level for 2013-14:

- *Base Funding.* An increase of \$155 million in Proposition 98 funding for a 3% growth in enrollment, and \$48.5 million to fund a 0.86% statutory COLA to general purpose apportionment funding. The Proposed Budget also directs the Board of Governors to adopt a new enrollment growth allocation formula that gives first priority to districts identified as having the greatest unmet higher education needs. All community college districts would receive some additional growth funding, and over time would be restored to pre-recession apportionment levels.

- *Student Fees.* The Proposed Budget makes no changes to the current enrollment fee of \$46 per credit.

- *Repayment of Apportionment Deferrals.* \$236 million in Proposition 98 funding which, together with \$357 million from increased funding allocable to fiscal years 2012-13 and 2013-14 (discussed above), would be used to eliminate all remaining outstanding community college district apportionment deferrals.

- *Statewide Performance Strategies.* \$1.1 million in non-Proposition 98 funding to fund nine additional staff positions at the State Chancellor's Office with the purpose of developing indicators of student success and monitor district performance. The Proposed Budget also provides \$2.5 million in Proposition 98 funding for local technical assistance to districts in the areas of academic affairs, student services, workforce and economic development, and finance.

- *Student Success.* \$200 million in Proposition 98 funding to improve and expand student success programs, including \$100 million to support all community college students statewide (and using an apportionment formula based on enrollment), and \$100 million to serve high need students. The Chancellor's Office would be tasked with defining what constitutes "high need," as well as developing the methodology for allocating these monies to districts.

- *Deferred Maintenance; Instructional Equipment.* A one-time increase of \$175 million in Proposition 98 funding, split equally between deferred maintenance and instructional equipment purchases.

- *Proposition 39.* A \$101 million reduction in funding for Proposition 39 energy projects, stemming from lower-than-projected corporate tax revenue collections. To accommodate the reduction, the Proposed Budget provides no additional funding in fiscal year 2014-15 for the revolving loan program and reduces school district and community college district grants by \$65 million and \$8 million, respectively.

- *Budgetary Stabilization Account.* As part of the Proposed Budget, the Governor proposes a constitutional amendment to strengthen existing provisions of law that require the State to adopt a balanced budget in each year and deposit a portion of State general fund revenues into the BSA. The Proposed Budget would increase the size of the required maximum balance of the BSA to 10% of estimated general fund revenues. The Proposed Budget would require that any capital gains income taxes exceeding 6.5% of general fund revenues to be deposited in the BSA, until the maximum balance is met. In addition, the Proposed Budget would create a dedicated Proposition 98 reserve with the BSA to smooth out year-to-year school spending. The deposit to this dedicated reserve would be calculated by determining the portion of the increase in the Proposition 98 minimum funding guarantee caused by capital gains income taxes above the 6.5% threshold described above. Reserve deposits would count towards the guarantee in any year they are made, resulting in less total appropriations to school districts and community college districts in such years. In years where the growth in the minimum funding guarantee is insufficient to cover any specified growth or required COLAs, funds from the reserve would be applied. For any portion of the BSA outside of the Proposition 98 reserve, the Proposed Budget would places limits on the amounts that could be withdrawn in the first year of a revenue downturn.

- *Settlement Obligations.* The Proposed Budget makes a final payment $316 million required by the Quality Education Investment Act of 2006, which implemented the terms of a legal settlement requiring additional, non-Proposition 98 State funding for low-performing schools, and community college district career technical education. The Proposed Budget also provides $188 million to fund a required deposit to the State Emergency Repair Program.

- *Redevelopment Revenue.* The Proposed Budget revises the projected collection of pass-through tax increment revenues for fiscal year 2013-14; the Proposed Budget now projects such collections will be $405 million lower than previously estimated. The Governor anticipates that court rulings will delay the distribution of some redevelopment agency assets that were assumed to provide State general fund savings in fiscal year 2013-14.

For additional information regarding the Proposed Budget, see the Department of Finance website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by reference.

Future Actions. The District cannot predict what 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 community colleges. Continued State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District.

SOLANO COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances are 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 Bonds are payable only from the proceeds of an ad valorem *tax levied by the Counties for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The Solano Community 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 largely 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 ("Yolo County" and together with the County, the "Counties") which is part of the District. The District's single college, Solano Community College, was constructed in 1972 is located on a 192-acre campus in Fairfield, California and currently serves nearly 9,548 students per semester. Solano Community College is currently fully accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges. The District also operates an Education Center in Vacaville, California, which serves approximately 2,183 students per semester, and an Education Center in Vallejo, California, which serves approximately 2,325 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. The District has a 2013-14 assessed valuation of $39,085,717,031.

Administration

The governing board of the District is called the Board of Trustees (the "Board"). The Board includes seven voting members elected by the voters of the District (the "Trustees"). The Trustees serve four-year terms. Elections for Trustee 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
Pam Keith	President	November 2014
A. Marie Young	Vice President	November 2014
Monica Brown	Trustee	November 2016
Sarah E. Chapman, Ph.D.	Trustee	November 2014
Dennis Honeychurch, J.D.	Trustee	November 2014
Michael A. Martin	Trustee	November 2016
Rosemary Thurston	Trustee	November 2016

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

Brief biographies of the Superintendent/President and the Vice-President, Finance and Administration follow:

Jowel C. Laguerre, Ph.D., Superintendent/President. Dr. Laguerre became Superintendent/President of the District on July 1, 2009. Prior to joining the District, Dr. Laguerre was the Vice President for Academic Affairs at Truckee Meadows Community College in Reno, Nevada, served as Executive Vice President for Academic and Student Services at Montgomery College in Maryland, held academic and student services positions at Lake Superior College in Minnesota, founded Teachers of Tomorrow to recruit young minorities into the teaching profession, and directed the I HAVE A DREAM program in Kansas City, Missouri.

Dr. Laguerre holds a Ph.D., in Educational Leadership for college and university administration, a Master's of Science in Education in School Administration, a Master's of Arts in French Literature from the University of Kansas, and a B.A. in Mathematics and Physics Education from L'Université d'Etat d'Haiti: Ecole Normale Supérieure, Port-au-Prince, Haiti.

Yulian I. Ligioso, Vice-President, Finance and Administration. Yulian Ligioso has been Vice President, Finance & Administration of Solano Community College District since January 10, 2011. Prior to joining the District, Mr. Ligioso served as the Vice President of Administrative Services at Chabot College in Hayward, served as the Vice President of Administrative Services at Evergreen Valley College in San Jose, and taught and held business/finance positions at Ventura College and Modesto Junior College.

Mr. Ligioso holds a Baccalaureate in Business Administration/Accounting from the University of Southern California, and a Master's of Business Administration from the University of the Pacific. He also is a Certified Public Accountant, formerly with Ernst & Young, an international accounting and consulting firm.

Enrollment

The following table shows the District's FTES for fiscal years 1999-00 through 2013-14:

DISTRICT ENROLLMENT
Fiscal Years 1999-00 through 2013-14
Solano Community College District

Year	Total FTES[1]
1999-00	7,219.68
2000-01	7,487.80
2001-02	7,778.22
2002-03	8,090.82
2003-04	8,567.01
2004-05	8,508.85
2005-06	9,022.80
2006-07	8,652.36
2007-08	8,966.82
2008-09	9,305.61
2009-10	9,531.16
2010-11	9,317.88
2011-12	8,532.69
2012-13	6,993.13[2]
2013-14[3]	8,400.00

(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) The District's decline in FTES for fiscal year 2012-13 resulted from the District not holding summer sessions, in an effort to reduce operating expenses.
(3) Projected.
Source: Solano Community College District.

Labor Relations

As of December 2013, the District employs 159 full-time certificated professionals, 155 full-time classified employees and 33 managers. In addition, the District employs 458 part-time faculty and staff. These employees, except management and some part-time employees, are represented by the bargaining units noted below:

LABOR RELATIONS ORGANIZATIONS
Solano Community College District

Labor Organization	Number of Employees in Organization	Contract Expiration Date
California Teachers Association	394	June 30, 2015
California School Employees Association	106	June 30, 2014
Operating Engineers	49	June 30, 2014

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 to be construed as a representation by either the District or the Underwriters.

CalSTRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("CalSTRS"). CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. The District is currently required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contribute 8% of their respective salaries. The State also contributes to CalSTRS, currently in an amount equal to 3.041% of teacher payroll. The State's contribution reflects a base contribution of 2.017% and a supplemental contribution of 1.024% that will vary from year-to-year based on statutory criteria.

The District's contribution to CalSTRS was $1,401,028 for fiscal year 2010-11, $1,301,476 for fiscal year 2011-12, $1,269,088 for fiscal year 2012-13, and is budgeted to be $1,449,980 for fiscal year 2013-14.

CalPERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("CalPERS"). CalPERS 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, with the Public Employees' Retirement Laws. The District is currently required to contribute to CalPERS at an actuarially determined rate, which is 11.442% for fiscal year 2013-14, while participants enrolled in CalPERS prior to the Implementation Date (defined herein) contribute 7% of their respective salaries. Participants enrolled after the Implementation Date contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2013-14. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contribution to CalPERS is capped at 13.02% of gross expenditures for any given fiscal year. To the extent the District's contribution rate to CalPERS is less than 13.02%, the State will reduce the District's revenue limit for that year by the difference between the maximum contribution rate and the District's actual contribution rate. Alternatively, if the District's contribution rate is greater than 13.02%, the State is required to provide additional revenue limit allocations to the District to make up the difference.

The District's contribution to CalPERS was $1,098,965 for fiscal year 2010-11, $1,076,649 for fiscal year 2011-12, $1,175,242 for fiscal year 2012-13, and is budgeted to be $1,436,381 for fiscal year 2013-14.

State Pension Trusts. Each of CalSTRS and CalPERS 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 CalSTRS and CalPERS as follows: (i) CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) CalPERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of CalSTRS and CalPERS maintains a website, as follows: (i) CalSTRS: www.calstrs.com; (ii) CalPERS: 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 CalSTRS and CalPERS 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 CalSTRS and CalPERS.

FUNDED STATUS
CalSTRS (Defined Benefit Program) and CalPERS
(Dollar Amounts in Millions)[(1)]

Plan	Accrued Liability	Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (CalPERS)	$59,439	$44,854[(2)]	$(14,585)
State Teachers' Retirement Fund Defined Benefit Program (CalSTRS)	215,189	144,232[(3)]	(70,957)

[(1)] Amounts may not add due to rounding.
[(2)] Reflects market value of assets as of June 30, 2012.
[(3)] Reflects actuarial value of assets as of June 30, 2012.
Source: CalPERS State & Schools Actuarial Valuation; CalSTRS Defined Benefit Program Actuarial Valuation.

On April 17, 2013, the CalPERS board of administration (the "CalPERS Board") approved new actuarial policies aimed at returning CalPERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year amortization period for gains and losses and a five-year ramp-up of rates of rates at the start and a five year ramp-down of rates at the end. The CalPERS Board delayed the implementation of the new policies until fiscal year 2015-16 for the State, K-14 school districts and all other public agencies.

Unlike CalPERS, CalSTRS contribution rates for participant employers and employees hired prior to the Implementation Date (defined herein), as well as the State's base contribution rate, are set by statute and do not currently vary from year-to-year based on actuarial valuations. As a result, and due in part to investment losses, the unfunded liability of CalSTRS has increased significantly. This unfunded liability is expected to continue to increase in the absence of legislation requiring additional or increased contributions. The District can make no representations regarding the future program liabilities of CalSTRS, or whether the District will be required to make larger contributions to CalSTRS in the future. The District can also provide no assurances that the District's required contributions to CalPERS 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 CalSTRS and CalPERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For CalSTRS participants hired after the Implementation Date, 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 to 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 CalPERS 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 CalPERS and CalSTRS, the Reform Act also: (i) requires all new participants enrolled in CalPERS and CalSTRS 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 CalSTRS and CalPERS 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 (currently 12 months for CalSTRS 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 and benefit base for members participating in Social Security or 120% for members not participating in social security, 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.

Tax Deferred Annuity. As established by federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use CalSTRS 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.

PARS. The Public Agency Retirement System ("PARS") is a defined contribution plan qualifying under Internal Revenue Code Section 401(a) and 501. The PARS plan covers certain retired part-time and temporary employees and employees of the District not otherwise covered by Internal Revenue Code Section 3121(b)(7)(f). The benefit provisions and contribution requirements of the plan members and the District are established and may be amended by the PARS Board of Trustees.

As of June 30, 2013, 17 District faculty members, staff members and administrators participated in PARS and have retired. Total annuity premiums paid by the District pursuant to the PARS plan, were $174,778 for fiscal year 2012-13 and will be $174,778 for fiscal year 2013-14 and $178,778 for fiscal year 2014-15.

See "APPENDIX B – EXCERPTS FROM THE 2012-13 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Notes to Financial Statements, Note 10 – Long-Term Obligations and Note 13 – Employee Retirement Systems" herein.

Post-Employment Health Care 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 (the "Investment Trust"), which is an investment program used to set aside funds for future retiree benefits. As of June 30, 2013, membership of the Plan consists of 118 retirees and beneficiaries currently receiving benefits, and 329 active employee plan members.

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 2011-12, the District's contribution to the Plan was $1,986,533, all of which was used for premiums. For fiscal year 2012-13, the District's contribution to the Plan was $1,497,258, all of which was used for premiums. Additionally, as of June 30, 2013, the District had accrued a payable of $123,101 to be transferred to the Investment Trust. The District's contribution to the Plan is budgeted to be $158,677 for fiscal year 2013-14.

Actuarial Valuation. The District has implemented GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans, pursuant to which the District has commissioned and received several actuarial studies of its outstanding liabilities with respect to the Plan. The most recent of these studies, prepared by Total Compensation Systems, Inc. and dated December 2, 2013, concluded that the District's unfunded actuarial accrued liability ("AAL") in respect of such benefits, as of a September 1, 2013 valuation date, was $13,052,815. The study also calculated the annual required contribution ("ARC") to be $1,548,901 for the fiscal year ending June 30, 2013.] The ARC is composed of the value of future benefits earned by current employees during each fiscal year (the "Normal Cost"), and the amount necessary to amortize the AAL. Collectively, the ARC is the amount that would be necessary to fund both the Normal Cost and the AAL in accordance with GASB Statements Nos. 43 and 45.

Net Obligation. As of June 30, 2013, the District recognized a net long-term obligation (the "Net OPEB Liability") of $7,714,495, based on its contributions towards the ARC during fiscal year 2012-13 and reflecting a net increase of $305,193 from the District's prior fiscal year.

See "– District Debt Structure – Long-Term Debt," below, and "APPENDIX B – EXCERPTS FROM THE 2012-13 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Notes to Financial Statements, Note 10 – Long-Term Obligations and Note 11 – Postemployment Health Care Plan and Other Postemployment Benefits (OPEB) Obligation" herein.

Risk Management

Joint Powers Authority Risk Pools. The District is exposed to various risks of loss related to torts, property liability, health benefits, errors, and natural disasters. During fiscal year ending June 30, 2013, the District contracted with the Northern Community College Insurance Authority, a Joint Powers Authority (a "JPA") 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.

Workers' Compensation. For fiscal year 2012-13, the District participated in the JPA 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 pool. 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. Participation in the JPA is limited to community college districts that can meet the JPA's selection criteria.

Employee Medical Benefits. The District contracts with Kaiser, Blue Shield, and Healthnet to provide employee medical benefits. Rates are set through an annual calculation process, and the District pays a monthly premium based on plan membership.

See also "APPENDIX B – EXCERPTS FROM THE 2012-13 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12 – Risk Management" herein.

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 Section 84030 of the California Education Code, is to be followed by all California community college districts. The GASB has released Statement No. 34, which 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 following tables show the District's general fund adopted budgets for the years ended June 30, 2011 through June 30, 2014, audited general fund results for the fiscal years ending June 30, 2011 through June 30, 2013, and projected totals for fiscal year 2013-14.

GENERAL FUND BUDGETING
Fiscal Years 2010-11 through 2013-14
Solano Community College District

	Fiscal Year 2010-11		Fiscal Year 2011-12		Fiscal Year 2012-13		Fiscal Year 2013-14	
	Budgeted[1]	**Unaudited**[1]	**Budgeted**[1]	**Unaudited**[1]	**Budgeted**[1]	**Unaudited**[1]	**Budgeted**[1]	**Projected**[2]
REVENUES:								
Federal	$780,700	$1,270,993	$945,000	$1,452,469	$1,058,108	$1,767,960	$1,619,351	$1,294,595
State	36,468,710	41,500,656	34,609,722	36,111,387	33,701,203	32,920,238	35,191,708	34,199,601
Local	16,133,728	15,817,558	14,416,446	13,414,000	13,702,742	18,026,823	15,900,904	15,900,904
TOTAL REVENUES	53,383,138	58,589,207	49,971,168	50,977,856	48,462,053	52,715,021	52,711,963	51,395,100
EXPENDITURES:								
Academic Salaries	20,441,380	21,179,729	18,932,442	19,057,512	18,450,530	19,079,529	19,948,570	20,041,097
Classified Salaries	10,999,009	10,334,663	9,889,753	9,757,998	9,854,737	9,907,357	10,881,516	11,074,423
Employee Benefits	12,741,049	12,900,030	14,326,084	13,626,573	12,955,882	11,508,360	13,917,996	12,620,354
Supplies and Materials	1,582,436	1,010,191	802,403	860,393	1,103,067	912,774	1,181,818	1,213,104
Other Operating Expenses and Services	7,155,224	7,620,408	6,652,992	8,166,143	6,036,158	7,003,217	6,193,726	5,683,950
Capital Outlay	713,226	724,065	334,360	357,533	271,640	763,390	771,186	689,190
TOTAL EXPENDITURES	53,632,324	53,769,086	50,938,034	51,826,152	48,672,014	49,174,627	52,894,812	51,322,118
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(249,186)	4,820,121	(966,866)	(848,296)	(209,961)	3,540,394	(182,849)	72,982
OTHER FINANCING SOURCES	3,258	344,365	--	43,451	--	9,692	--	--
OTHER OUTGO	(213,131)	(872,691)	(284,771)	(251,977)	(200,000)	(272,371)	326,755	(176,754)
NET INCREASE (DECREASE) IN FUND BALANCE	(459,059)	4,291,795	(1,251,637)	(1,056,822)	(409,961)	3,277,715	(509,604)	(103,772)
BEGINNING FUND BALANCE								
Net Beginning Balance, July 1	2,948,602	2,948,602	7,231,992	7,231,992	4,763,998	4,763,998	8,041,713	8,041,713
Prior Year Adjustments	--	(8,405)	--	(1,411,172)	--	--	--	(553,215)[3]
Adjusted Beginning Balance	--	2,940,197	--	5,820,820	--	4,763,998	8,041,713	7,488,498
ENDING FUND BALANCE, JUNE 30	$2,489,543	$7,231,992	$5,980,335	$4,763,998	$4,354,037	$8,041,713	$7,532,109	$7,384,726

(1) From the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. For audited results summaries of expenses, revenues and changes in net assets for the District's primary government funds for fiscal years 2009-10 through 2012-13, see "SOLANO COMMUNITY COLLEGE DISTRICT – Comparative Financial Statements," below.
(2) As of February 2014.
(3) Adjustment is the result of late guidance regarding final State revenue amounts, as received from the office of the Chancellor of the California Community Colleges.
Source: Solano Community College District.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and changes in net assets in the District's primary government funds from fiscal years 2008-09 through 2012-13:

SUMMARY OF AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
Fiscal Years 2008-09 through 2012-13
Solano Community College District

	2008-09 Audited	2009-10 Audited	2010-11 Audited	2011-12 Audited	2012-13 Audited
OPERATING REVENUES					
Student Tuition and fees	$6,272,366	$6,128,523	$7,528,497	$8,333,266	$8,598,744
Less: Scholarship discount and allowance	(1,937,640)	(2,055,054)	(3,138,715)	(4,426,492)	(5,119,984)
Net tuition and fees	4,334,726	4,073,469	4,389,782	3,906,774	3,478,760
Auxiliary Enterprises Sales and Charges:					
Bookstore	1,337,097	3,945,539	3,687,735	1,322,839	--(1)
TOTAL OPERATING REVENUES	5,671,823	8,019,008	8,077,517	5,229,613	3,478,760
OPERATING EXPENSES					
Salaries	34,304,656	33,612,620	32,051,584	29,624,357	29,665,105
Employee benefits	11,554,471	14,059,112	13,891,801	14,603,380	12,731,663
Supplies, materials and other operating expenses	21,097,642	26,511,061	28,894,309	26,074,301	21,749,520
Depreciation	2,580,540	3,146,839	3,700,043	3,635,653	4,618,043
TOTAL OPERATING EXPENSES	69,537,309	77,329,632	78,537,737	73,937,691	68,764,331
OPERATING LOSS	(63,865,486)	(69,310,624)	(70,460,220)	(68,708,078)	(65,285,571)
NON-OPERATING REVENUES (EXPENSES)					
State apportionments, noncapital	36,154,632	34,070,997	36,577,090	31,283,738	28,006,801
Local property taxes, levied for general purposes	10,183,937	9,037,223	8,978,960	8,523,670	11,768,366
Taxes levied for other specific purposes	7,366,902	6,750,756	7,854,782	7,978,991	7,949,598
Federal grants	6,422,503	12,748,093	14,687,104	15,178,106	14,002,812
State grants	4,886,918	5,254,026	5,308,177	5,352,286	5,395,734
Local grants and other revenues	2,570,899	1,961,619	2,128,259	1,461,480	2,792,729
State taxes and other revenues	1,088,500	1,130,109	1,117,169	1,383,043	848,081
Investment income	1,521,996	611,958	402,841	227,566	209,987
Interest expense on capital related debt	(6,450,564)	(5,278,045)	(5,183,262)	(5,125,674)	(1,665,464)
Investment income on capital asset-related debt, net	--	--	30,616	23,472	24,118
Transfer from agency fund	--	--	902,000	24,275	86,032
Transfer to agency fund	--	(23,014)	(964,287)	(150,260)	--
TOTAL NON-OPERATING REVENUES (EXPENSES)	63,745,723	66,263,722	71,839,449	66,160,693	69,418,794
INCOME BEFORE OTHER REVENUES AND EXPENSES	(119,763)	(3,046,902)	1,379,229	(2,547,385)	4,133,223
State revenues, capital	135,600	--	--	--	54,725
Local revenues, capital	27,657	648,464	419,158	880,673	19,227
TOTAL INCOME BEFORE OTHER REVENUES AND EXPENSES	163,257	648,464	419,158	880,673	73,952
CHANGE IN NET ASSETS	43,494	(2,398,438)	1,798,387	(1,666,712)	4,207,175
RESTATEMENT	--	--	--	--	25,491,485(2)
NET ASSETS, BEGINNING OF YEAR	31,991,052	32,034,546	29,636,108	31,434,495	29,767,783
NET ASSETS, END OF YEAR	$32,034,546	$29,636,108	$31,434,495	$29,767,783	$59,466,443

(1) Auxiliary revenues are no longer shown as the District's bookstore operations were assumed by Barnes & Noble in December of 2011.

(2) Effective fiscal year 2012-13, the District was required to capitalize interest as part of the historical cost of constructing certain business-type activity assets. This required a restatement of the District's fiscal year 2012-13 beginning net assets. In addition, a restatement of prior year construction overhead allocation was recorded. See also "APPENDIX B – EXCERPTS FROM THE 2012-13 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 16 – Restatement of Prior Year Fund Balances" herein.

Source: Solano Community College District.

District Debt Structure

Long-Term Debt. General long-term debt as of June 30, 2013 consisted of the following:

	Beginning Balance July 1, 2012	Additions	Deductions	Ending Balance June 30, 2013
General obligation bonds	$114,936,362	$122,176,691	$4,520,000	$232,593,053
Revenue Bonds	--	12,300,000	--	12,300,000
Bond premiums	5,506,720	663,749	479,081	5,691,388
Total Bonds and Notes payable	120,443,082	135,140,440	4,999,081	250,584,441
Other Liabilities				
Compensated absences	944,523	--	18,045	926,478
Capital leases	282,939	--	92,348	190,591
Supplemental retirement plan(1)	524,334	--	174,778	349,556
OPEB liability(2)	7,493,397	221,098	--	7,714,495
Total Other Liabilities	9,245,193	221,098	285,171	9,181,120
Total Long-Term Debt	$129,688,275	$135,361,538	$5,284,252	$259,765,561

(1) See " - Retirement Programs, PARS," above.
(2) See " - Post-Employment Health Care Benefits," above.
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 Election of 2002 General Obligation Bonds, Series 2003A in the aggregate principal amount of $80,000,000 (the "Series 2003A Bonds"). On September 12, 2006, the District issued its Election of 2002 General Obligation Bonds, 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 proceeds of which were used to advance refund a portion of the Series 2003A Bonds.

The District received a second authorization at an election held on November 6, 2012 (the "2012 Authorization") at which the requisite vote of at 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 Election of 2012 General Obligation Bonds, Series A (Federally Tax-Exempt) (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," together with the 2012 Series A Bonds, the "Election of 2012 Bonds"). After the issuance of the Election of 2012 Bonds $228,003,100.85 aggregate principal amount of the 2012 Authorization remained for future issuance.

The following table shows the total debt service with respect to the District's outstanding general obligation bonded debt, including the Bonds (and assuming no optional redemptions):

GENERAL OBLIGATION BONDED DEBT SERVICE
Solano Community College District

Period Ending August 1	Series 2006B Bonds[(1)]	2005 Refunding Bonds[(1)]	Election of 2012 Series A Bonds	Election of 2012 Series B Bonds	Series A Bonds	Series B Bonds	Total Annual Debt Service
2014	$677,050.00	$5,108,512.50	$5,150,179.76	$1,766,013.17	$165,121.25	$886,187.37	$13,753,064.05
2015	892,500.00	5,586,650.00	5,644,637.50	1,577,580.00	526,050.00	1,241,118.46	15,468,535.96
2016	843,250.00	--	5,794,137.50	1,577,580.00	666,050.00	6,948,982.86	15,830,000.36
2017	488,250.00	--	6,015,637.50	1,577,580.00	1,000,450.00	7,196,487.06	16,278,404.56
2018	488,250.00	--	2,949,637.50	1,577,580.00	966,250.00	7,453,049.46	13,434,766.96
2019	488,250.00	--	3,009,637.50	1,827,580.00	933,000.00	7,719,125.46	13,977,592.96
2020	488,250.00	--	3,127,837.50	1,885,580.00	895,250.00	7,990,962.96	14,387,880.46
2021	488,250.00	5,675,000.00	3,257,437.50	1,946,130.00	433,250.00	3,146,042.56	14,946,110.06
2022	488,250.00	5,660,000.00	3,387,987.50	2,009,195.00	433,250.00	3,451,858.40	15,430,540.90
2023	488,250.00	--	3,524,337.50	2,079,015.00	9,098,250.00	--	15,189,852.50
2024	9,963,250.00	--	3,748,606.26	1,855,212.50	--	--	15,567,068.76
2025	10,008,250.00	--	3,813,606.26	2,012,362.50	--	--	15,834,218.76
2026	10,048,250.00	--	3,963,606.26	2,100,325.00	--	--	16,112,181.26
2027	10,093,250.00	--	4,118,606.26	2,187,250.00	--	--	16,399,106.26
2028	10,133,250.00	--	4,283,606.26	2,272,875.00	--	--	16,689,731.26
2029	10,178,250.00	--	4,453,606.26	2,366,937.50	--	--	16,998,793.76
2030	10,223,250.00	--	4,638,606.26	2,453,650.00	--	--	17,315,506.26
2031	10,253,250.00	--	4,818,606.26	2,558,012.50	--	--	17,629,868.76
2032	--	--	5,013,606.26	2,658,712.50	--	--	7,672,318.76
2033	--	--	5,213,606.26	2,760,487.50	--	--	7,974,093.76
2034	--	--	5,423,165.36	2,870,725.00	--	--	8,293,890.36
2035	--	--	5,637,506.96	2,990,212.50	--	--	8,627,719.46
2036	--	--	5,865,777.06	3,107,875.00	--	--	8,973,652.06
2037	-	--	6,098,606.26	3,235,275.00	--	--	9,333,881.26
2038	--	--	6,343,606.26	3,363,650.00	--	--	9,707,256.26
2039	--	--	6,595,612.50	3,497,175.00	--	--	10,092,787.50
2040	--	--	6,857,887.50	3,639,750.00	--	--	10,497,637.50
2041	--	--	10,853,893.76	--	--	--	10,853,893.76
2042	--	--	11,286,187.50	--	--	--	11,286,187.50
2043	--	--	11,736,937.50	--	--	--	11,736,937.50
2044	--	--	12,205,687.50	--	--	--	12,205,687.50
2045	--	--	12,695,750.00	--	--	--	12,695,750.00
2046	--	--	13,204,906.26	--	--	--	13,204,906.26
2047	--	--	13,730,531.26	--	--	--	13,730,531.26
Total	$86,731,550.00	$22,030,162.50	$214,463,585.54	$63,754,320.67	$15,116,921.25	$46,033,814.59	$448,130,354.55

(1) Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Bonds.

Lease Agreement. The District entered into a lease agreement (the "Lease Agreement") with Public Property Financing Corporation, dated as of November 1, 2012, designated as the Solano Community College District Lease Agreement (Taxable QECB Direct Subsidy). The lease payment obligations under the Lease were designated as "Qualified Energy Conservation Bonds" (the "QECBs"), pursuant to an irrevocable election by the District to have Section 6341(f)(3)(B) of the Internal Revenue Code of 1986, as amended apply. The QECB's are payable from lease payments to be made by the District pursuant to the Lease Agreement, for the use and possession of certain District facilities. A portion of the lease payments due from the District are expected to be financed with proceeds of the 2012 Series B Bonds. The following table shows all lease payments due with respect to the QECB's.

Payment Date	Principal Portion	Interest Portion	Total[1]
5/14/14	$340,188	$277,365	$617,553
11/14/14	342,823	269,694	612,516
5/14/15	345,478	261,963	607,441
11/14/15	348,153	254,173	602,326
5/14/16	350,850	246,322	597,172
11/14/16	353,567	238,410	591,977
5/14/17	356,306	230,437	586,743
11/14/17	359,065	222,402	581,468
5/14/18	361,846	214,306	576,152
11/14/18	364,649	206,146	570,795
5/14/19	367,473	197,923	565,396
11/14/19	370,319	189,637	559,955
5/14/20	373,187	181,286	554,473
11/14/20	376,077	172,870	548,948
5/14/21	378,990	164,390	543,380
11/14/21	381,925	155,844	537,769
5/14/22	384,883	147,231	532,115
11/14/22	387,864	138,552	526,416
5/14/23	390,868	129,806	520,674
11/14/23	393,896	120,992	514,887
5/14/24	396,946	112,109	509,056
11/14/24	400,021	103,158	503,179
5/14/25	403,119	94,138	497,257
11/14/25	406,241	85,047	491,288
5/14/26	409,387	75,887	485,274
11/14/26	412,558	66,655	479,213
5/14/27	415,753	57,352	473,105
11/14/27	418,973	47,977	466,950
5/14/28	422,218	38,529	460,747
11/14/28	425,488	29,008	454,496
5/14/29	428,784	19,413	448,197
11/14/29	432,105	9,744	441,849
Totals	$12,300,000	$4,758,765	$17,058,765

[1] Reflects gross debt service on the QECB's. The District expects to receive on or about each interest payment date a cash subsidy (the "Subsidy Payment") from the United States Treasury (the "Treasury") equal 2.961%, which is 70% of the rate (4.23%) published on November 8, 2012, the date on which a binding written contract to sell the QECB's was entered into by the District. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. However, the Subsidy Payment is subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the Subsidy Payment by 8.7% through the end of the current federal fiscal year (September 30, 2013). In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years. The District expects to use proceeds of the Series B Bonds to fund certain of the QECB's lease payments.

Capital Lease Obligations. The District has entered into various lease-purchasing agreements for equipment originally valued at $1,200,000 under agreements which provide for title to pass upon expiration of the lease period. The annual debt service for these leases is paid from the operating revenues of the District. The District's minimum lease payment obligations on various lease-purchase agreements are as follows:

Year Ending June 30	Lease Payment
2014	$98,327
2015	98,327
Total	$196,653
Less: Amount Representing Interest	6,062
Present Value of Minimum Lease Payments	$190,591

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

TAX MATTERS

Series A Bonds. 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 on the Series A 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 and corporations. In the further opinion of Bond Counsel, interest on the Series A Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Series A Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations.

The difference between the issue price of a Series A Bond (the first price at which a substantial amount of the Series A Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Series A Bond 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 Series A Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series A Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Series A 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 Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series A Bonds to assure that interest (and original issue discount) on the Series A 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 Series A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A 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 Series A Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series A Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series A Bond premium reduces the Bond Owner's basis in the applicable Series A 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 Series A Bond premium may result in a Bond Owner realizing a taxable gain when a Series A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series A Bond to the Owner. Purchasers of the Series A Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Series A 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 Series A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series A Bonds might be affected as a result of such an audit of the Series A 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 Series A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series A Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES A 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 INTEREST ON THE SERIES A BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS SUCH AS THE SERIES A BONDS. THE INTRODUCTION OR ENACTMENT OF ANY SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES A BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE SERIES A BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF SERIES A 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 SERIES A 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 Certificates relating to the Series A Bonds 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 of interest (and original issue discount) on the Series A Bonds for federal income tax purposes with respect to any Series A Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Series A 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 Series A Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Series A 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 Series A Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series A Bonds.

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

Series B Bonds. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Series B Bond (the first price at which a substantial amount of the Series B Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Series B Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Beneficial Owner of a Series B Bond will increase the Beneficial Owner's basis in the Series B Bond. Beneficial Owners of Series B Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Series B Bonds.

The amount by which a Series B Bond Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Series B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Beneficial Owner of a Series B Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Series B Bond Beneficial Owner's basis in the applicable Series B Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series B Bond premium may result in the Beneficial Owner of a Series B Bond realizing a taxable gain when a Series B Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B Bond to the Beneficial Owner. The Beneficial Owners of the Series B Bonds that have a basis in the Series B Bonds that is greater than the principal amount of the Series B Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Series B Bonds is included for general information only and may not be applicable depending upon a Beneficial Owner's particular situation. The ownership and disposal of the Series B Bonds and the accrual or receipt of interest with respect to the Series B Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

ANY FEDERAL TAX ADVICE CONTAINED HEREIN WITH RESPECT TO THE SERIES B BONDS IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE CODE. THE FEDERAL TAX ADVICE CONTAINED HEREIN WITH RESPECT TO THE SERIES B BONDS WAS WRITTEN TO SUPPORT THE PROMOTING AND MARKETING OF THE SERIES B BONDS. BEFORE PURCHASING ANY OF THE SERIES B BONDS, ALL POTENTIAL

PURCHASERS SHOULD CONSULT THEIR INDEPENDENT TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES RELATING TO THE SERIES B BONDS AND THE TAXPAYER'S PARTICULAR CIRCUMSTANCES.

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

LEGAL MATTERS

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California 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 of the State, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertakings. In connection with the issuance of the Bonds, the District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2013-14 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. The District has, in the past five fiscal years, failed to file its required annual reports associated with its General Obligation Bonds, Election of 2002, Series 2006B for fiscal years 2007-08 through and including 2011-12. In addition, in the past five fiscal years, the District has failed to file its required annual report associated with its 2005 General Obligation Refunding Bonds for fiscal year 2011-12. Within the past five years, the District has also failed to file notices of certain material events with respect to rating changes of the District's outstanding obligations, as required by its then-existing continuing disclosure obligations. The District has since filed all such reports and notices of listed events and is current with respect to all filings required under its prior 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.

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* taxes to collect other revenues or contesting the District's ability to issue and retire the Bonds.

There are a number of lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the finances of the District.

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 Code, 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 made after March 31, 2007 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.

Escrow Verification

Upon delivery of the Bonds, Causey Demgen & Moore P.C., Denver, Colorado, will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions assumptions provided to them by the Underwriters (defined herein) relating to (a) the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded Bonds and (b) the computations of yield of the Bonds and the Federal Securities in the Escrow Fund which support Bond Counsel's opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

Legal Opinions

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers thereof without cost. Copies of the proposed forms of such legal opinions for the Bonds are attached to this Official Statement as APPENDIX A.

Financial Statements

Excerpts from the District's audited financial statements with required supplemental information for the year ended June 30, 2013, the independent auditor's report of the District, the related statements of activities and of cash flows for the year then ended, and the report dated December 31, 2013 of Vavrinek, Trine, Day & Company, LLP (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the excerpts from financial statements and the report of the Auditor thereon in APPENDIX B 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.

RATINGS

The Bonds have been assigned ratings of "Aa3" and "AA-" by Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), respectively. The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007; Standard & Poor's, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as representative of itself and RBC Capital Markets, LLC (collectively, the "Underwriters"). The Underwriters have agreed, pursuant to a purchase contract by and between the District and the Underwriters, to purchase all of the Series A Bonds for a purchase price of $12,595,983.80 (consisting of the principal amount of $10,645,000.00 plus net original issue premium of $1,988,241.30, less Underwriters' discount of $37,257.50). The Underwriters have agreed, pursuant to a purchase contract by and between the District and the Underwriters, to purchase all of the Series B Bonds for a purchase price of $41,020,922.50 (consisting of the principal amount of $41,165,000.00, and less Underwriters' discount of $144,077.50). The purchase contract related to the Bonds provides 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 the purchase contract, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriters.

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, 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.

Some of the data contained herein 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.

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/ Yulian I. Ligioso
Vice-President, Finance and Administration

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APPENDIX A

FORMS OF OPINIONS OF BOND COUNSEL FOR THE BONDS

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Series A Bonds substantially in the following form.

April 8, 2014

Board of Trustees
Solano Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $10,645,000 Solano Community College District (Solano and Yolo Counties, California) 2014 General Obligation Refunding Bonds, Series A (Federally Tax-Exempt) (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 Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and resolutions adopted by the Board of Trustees of the Solano Community College District (the "District") on March 20, 2013 and February 19, 2014 (together, 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* 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 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 and corporations; however, it should be noted that, with respect to corporations, such interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of 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 Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner'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 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner'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 Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. 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.

Respectfully submitted,

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Series B Bonds substantially in the following form.

April 8, 2014

Board of Trustees
Solano Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $41,165,000 Solano Community College District (Solano and Yolo Counties, California) 2014 General Obligation Refunding Bonds, Series B (Federally Taxable) (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 Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution (the "Resolution") of the Board of Trustees of the Solano Community College District (the "District").

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* taxes on all property within the boundaries of 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 not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Interest on the Bonds is exempt from State of California personal income tax.

5. Except for certain exceptions, 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 payment price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.

Except as expressly set forth in paragraphs (3), (4) and (5), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. 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. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

Any federal tax advice contained herein with respect to the Bonds is not intended or written to be used, and it cannot be used, for the purpose of avoiding penalties under the Code. The federal tax advice contained herein with respect to the Bonds was written to support the promoting and marketing of the Bonds. Before purchasing any of the Bonds, all potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the Bonds and the taxpayer's particular circumstances.

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.

Respectfully submitted,

APPENDIX B

EXCERPTS FROM THE 2012-13 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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Solano Community College District

Annual Financial Report

June 30, 2013

SOLANO COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS
JUNE 30, 2013

FINANCIAL SECTION

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Solano Community College District
Fairfield, California

We have audited the accompanying financial statements of the business-type activities of Solano Community College District (the District) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statement statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 Fax: 925.734.6611 www.vtdcpa.com

FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE • SACRAMENTO

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District as of June 30, 2013 and 2012, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 62 for the year ended June 30, 2013. These changes require a restatement of the beginning net position of the District as discussed in Note 16. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, including the Schedule of Expenditures of Federal Awards, 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. Such information has been subjected to the auditing procedures applied in the audits 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 31, 2013

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, 2013. 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, 2013. 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 entity-wide 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 obligations. 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.

FINANCIAL HIGHLIGHTS

California's budget, predicated on the passage of a tax initiative, Proposition 30, was politically uncertain and costly, making college budget planning rather difficult as the institution was potentially faced with an estimated workload reduction of 7.3% should the tax measure fail. As such the Fiscal Year 2012-13 budget was adopted with an approximate $410,000 deficit as a result of the estimated $2.8 million apportionment revenue loss, a revenue loss tied to Proposition 30 failing that would translate into a workload reduction for the college of about 618 FTES. Additionally, redevelopment agency wind down and related revenue shortfalls and uncertainty about backfill no funding for growth nor cost of living adjustments, and increased enrollment fees from $36 to $46 per unit represented the most significant elements for the college in the State budget for 2012-13. To address such budget challenges, Solano College offered no summer sessions, suspended football and water polo, and terminated the contract with the Solano College Theater Association for the academic year, amounting to $1.85 million in estimated expenditure savings. Additionally, the institution changed its health care from being self-insured to the CalPERS system, which resulted in an estimated $1.3 million savings in healthcare costs. To defray some healthcare costs absorbed by its employees due to the changeover, the college provided the following salary increases: 1% to the Solano College Faculty Association, 1.75% to Operating Engineers Local 39, and 1% to the Administrative Leadership Group, for a total of $238,000. Other expenditure savings initiatives included reduced spending on supplies and other operating expenditures as well as postponing hiring of numerous vacancies.

With the passage of Proposition 30 in November 2012, the State Budget now reinvests in, rather than cuts education funding. The tax measure, while temporary, provides sales tax increases through 2016 and extends income tax increases through 2018, amounting to an estimated additional $20 billion to the Proposition 98 minimum funding guarantee. As a result, the District ended the year achieving an estimated $3.0 million surplus, ending the year with an approximate $5.7 million of designated reserve, or the equivalent of 12.9% of the General Fund Unrestricted expenditures.

The college still had restricted cash with the disbursing agent from its $12.3 million solar financing arrangement, not yet fully paid out to its solar vendor for the approximate 2.5 MW install on the three campuses which resulted in a positive cash balance at year end. The State apportionment deferrals at June 30 were approximately $2.5 million lower than the prior year, lowering overall receivables As management of the Bookstore was assumed by Barnes & Noble in December 2011, no inventories remained on hand at year ends 2011/12 nor 2012/13. Prepaid expenses at June, 2013 consist of a billing in June 2013 of $316,000 for worker's compensation for coverage beginning July 1 and prepaid rent of $137,000 for temporary administrative offices. Accounts payable rose significantly because of increased construction activity. The increase in net capital assets is due principally to Measure G bond construction and solar panel installations at all three campuses.

ATTENDANCE HIGHLIGHTS

Solano Community College District, in response to continued state budget reductions, chose as one of the expenditure cutback strategies to eliminate summer course offerings in 2012. As a result the District, reporting enrollments for only fall and spring semesters, showed a decline of about 1,500 resident full-time equivalent students (FTES) from prior year FY 2011-12, actually serving near 7,000 FTES.

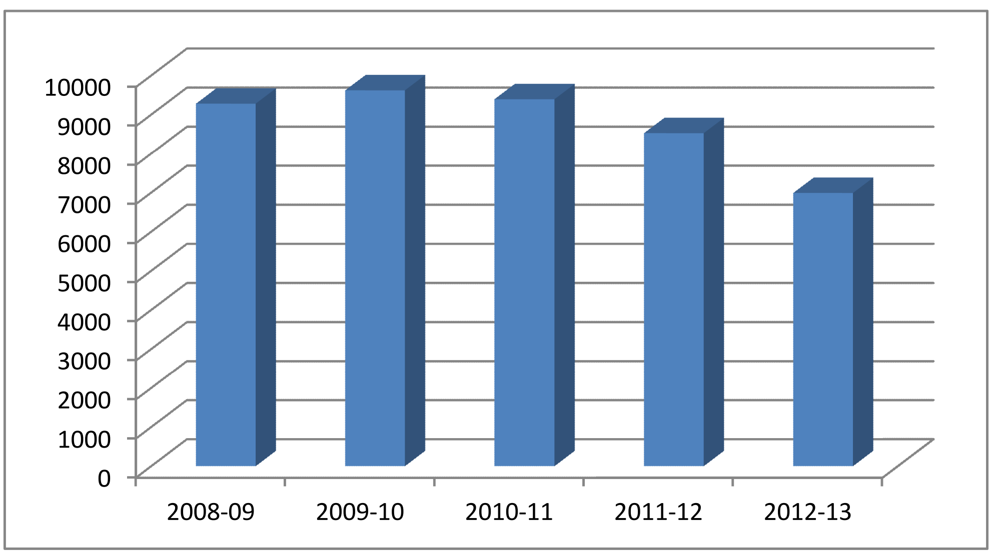
To optimize funding for FY 2012-13 and FY 2013-14, the District, after careful analysis, chose to report the FTES decline on the Final CCFS 320 enrollment report to the Chancellor's Office in FY 2012-13, placing Solano College into stability funding for that fiscal year which held the institution harmless from an apportionment funding loss in the year of decline.

With the State's funding picture improving, the District restored summer 2013 class offerings and established FTES targets for FY 2013-14 to return back to the 8,500 FTES funding base which the District believes are attainable.

Additionally, the FTES decline also lowered the college's fulltime faculty obligation number from 154.6 in fall 2012 to 121.6 for fall 2013 which helped the overall expenditure picture.

The chart below shows actual FTES served.

Annual FTES
Credit/Non-Credit Resident Students
(Reported for State Funding)



THE DISTRICT AS A WHOLE

Net Position

Table 1

ASSETS	2013	2012	Change	2011	Change
Current Assets					
Cash and investments	$ 6,393,037	$ 724,744	$ 5,668,293	$ 3,962,112	$ (3,237,368)
Restricted cash and cash equivalents	151,344,808	28,292,243	123,052,565	28,448,858	(156,615)
Accounts receivable (net)	12,063,938	15,531,337	(3,467,399)	12,753,660	2,777,677
Store inventory	-	-	-	1,456,169	(1,456,169)
Prepaid expenses and other current assets	503,010	183,945	319,065	32,841	151,104
Total Current Assets	170,304,793	44,732,269	125,572,524	46,653,640	(1,921,371)
Noncurrent Assets:					
Capital assets (net)	163,095,828	125,619,915	37,475,913	125,633,033	(13,118)
Total Noncurrent Assets	163,095,828	125,619,915	37,475,913	125,633,033	(13,118)
Total Assets	$ 333,400,621	$ 170,352,184	$ 163,048,437	$ 172,286,673	$ (1,934,489)
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	$ 10,216,633	$ 7,298,612	$ 2,918,021	$ 4,221,954	$ 3,076,658
Deferred revenue	3,951,984	3,597,514	354,470	4,033,641	(436,127)
Deferred bond premium	501,206	479,081	22,125	479,081	-
Long-term liabilities due within one year	5,509,265	4,787,126	722,139	4,433,803	353,323
Total Current Liabilities	20,179,088	16,162,333	4,016,755	13,168,479	2,993,854
Long-term Debt	253,755,090	124,422,068	129,333,022	127,683,699	(3,261,631)
Total Liabilities	273,934,178	140,584,401	133,349,777	140,852,178	(267,777)
NET POSITION					
Net investment in capital assets	56,907,444	26,452,053	30,455,391	24,336,933	2,115,120
Restricted	8,642,265	8,697,662	(55,397)	7,931,982	765,680
Unrestricted	(6,083,266)	(5,381,932)	(701,334)	(834,420)	(4,547,512)
Total Net Position	59,466,443	29,767,783	29,698,660	31,434,495	(1,666,712)
Total Liabilities and Net Position	$ 333,400,621	$ 170,352,184	$ 163,048,437	$ 172,286,673	$ (1,934,489)

The District's primary assets include receivables, restricted cash from bond proceeds and capital assets. Primary liabilities include long-term debt and investments in capital assets.

Cash increased by approximately $129 million due principally to the June sale of the first tranche of Measure Q Bond of $120 million. Restricted cash includes amounts restricted for debt service.

Receivables include approximately $7.6 million in State aid apportionment, along with student accounts receivable and grants from the State and Federal government

Long-term debt includes general obligation bonds outstanding, revenue bonds, leases payable, employee compensated absences, and retirement obligations.

Operating Results for the Year

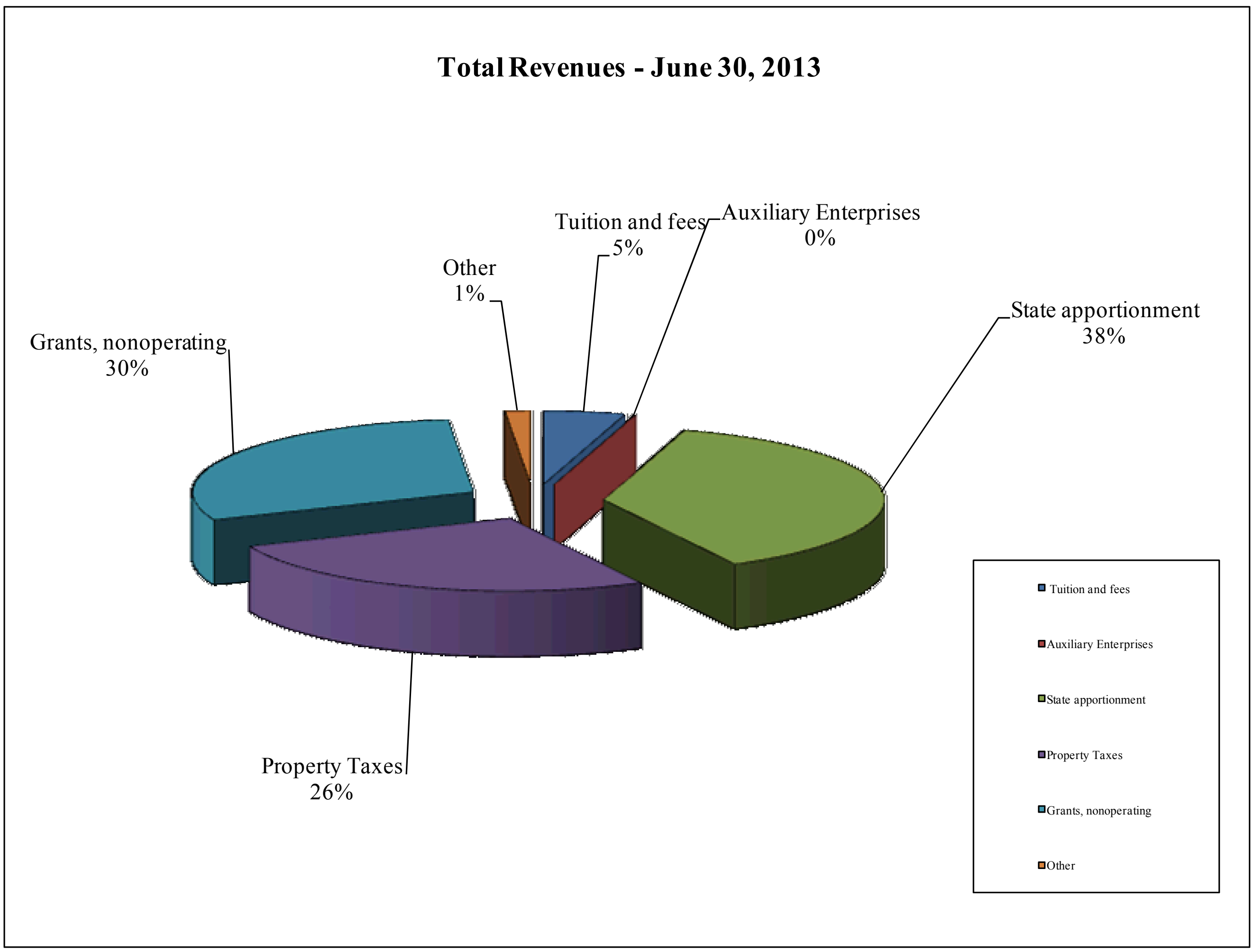
The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position* on page 18.

Table 2

Operating Revenues	2013	2012	Change	2011	Change
Tuition and fees	$ 3,478,760	$ 3,906,774	$ (428,014)	$ 4,389,782	$ (483,008)
Auxiliary sales and charges	-	1,322,839	(1,322,839)	3,687,735	(2,364,896)
Total Operating Revenues	3,478,760	5,229,613	(1,750,853)	8,077,517	(2,847,904)
Operating Expenses					
Salaries	29,665,105	29,624,357	40,748	32,051,584	(2,427,227)
Employee benefits	12,731,663	14,603,380	(1,871,717)	13,891,801	711,579
Supplies, Materials, Other Operating Expenses and Services	21,749,520	26,074,301	(4,324,781)	28,894,309	(2,820,008)
Depreciation	4,618,043	3,635,653	982,390	3,700,043	(64,390)
Total Operating Expenses	68,764,331	73,937,691	(5,173,360)	78,537,737	(4,600,046)
Loss on Operations	(65,285,571)	(68,708,078)	3,422,507	(70,460,220)	1,752,142
Nonoperating Revenues					
State apportionments, noncapital	28,006,801	31,283,738	(3,276,937)	36,577,090	(5,293,352)
Local property taxes	19,717,964	16,502,661	3,215,303	16,833,742	(331,081)
Federal	14,002,812	15,178,106	(1,175,294)	14,687,104	491,002
State	5,395,734	5,352,286	43,448	5,308,177	44,109
Local	2,792,729	1,461,480	1,331,249	2,128,259	(666,779)
State taxes and other revenues	848,081	1,383,043	(534,962)	1,117,169	265,874
Investment income	209,987	227,566	(17,579)	402,841	(175,275)
Interest Expense on Capital Asset-Related Debt	(1,665,464)	(5,125,674)	3,460,210	(5,183,262)	57,588
Other nonoperating revenues (expenses)	110,150	(102,513)	212,663	(31,671)	(70,842)
Total Nonoperating Revenue	69,418,794	66,160,693	3,258,101	71,839,449	(5,678,756)
GAIN (LOSS) BEFORE CAPITAL REVENUES	4,133,223	(2,547,385)	6,680,608	1,379,229	(3,926,614)
CAPITAL REVENUES					
State and local capital income	54,725	880,673	(825,948)	419,158	461,515
Gain or loss on disposal of equipment	19,227	-	19,227	-	-
TOTAL CAPITAL REVENUES	73,952	880,673	(806,721)	419,158	461,515
INCREASE (DECREASE) IN NET POSITION	4,207,175	(1,666,712)	5,873,887	1,798,387	(3,465,099)
RESTATEMENT	25,491,485	-	25,491,485	-	-
NET POSITION BEGINNING OF YEAR	29,767,783	31,434,495	(1,666,712)	29,636,108	1,798,387
NET POSITION END OF YEAR	$ 59,466,443	$ 29,767,783	$ 29,698,660	$ 31,434,495	$ (1,666,712)

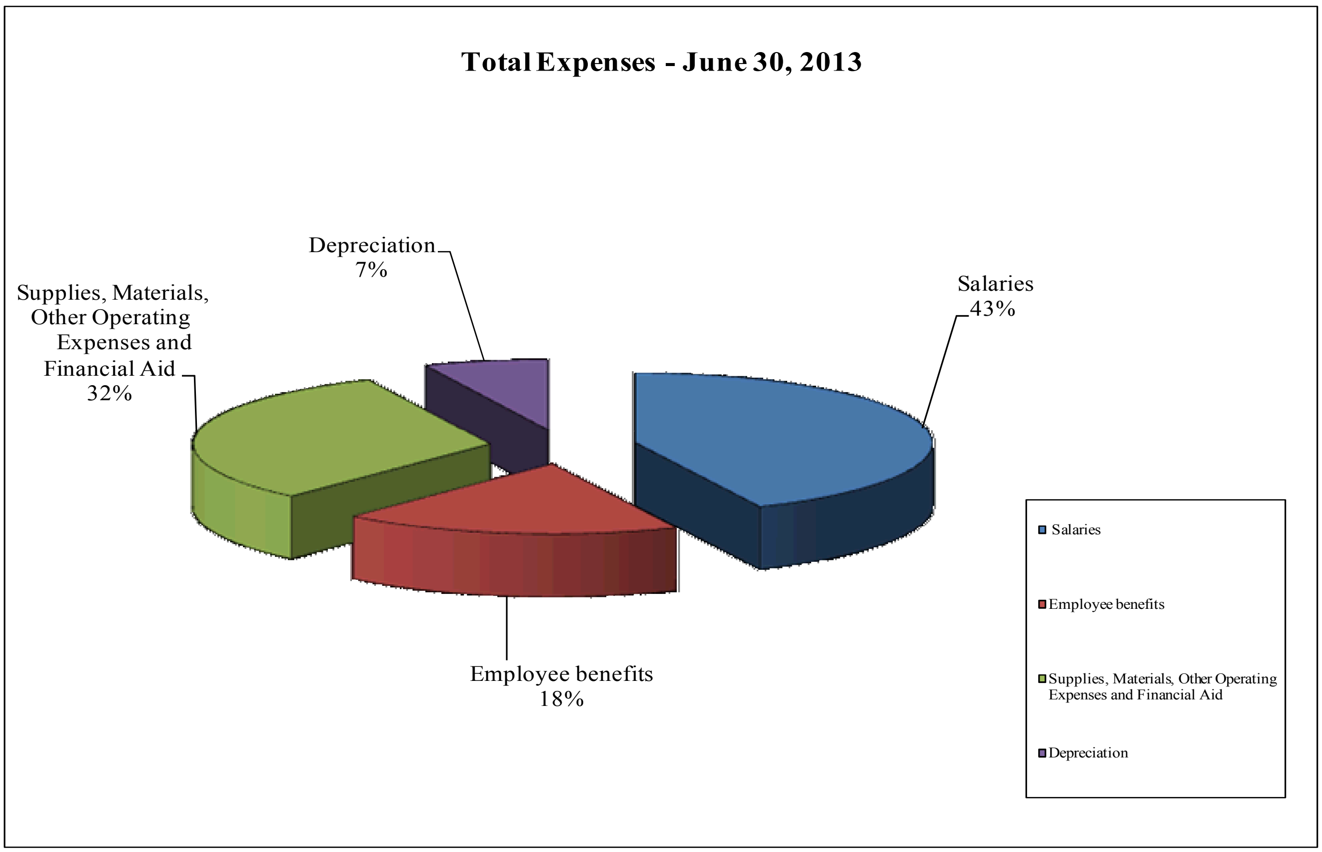
Significant revenue changes between 2012 and 2013 include:

- The decrease in student tuition and fees, primarily relate to lower FTES achieved for and reported in 2012/13 of about 7,000 FTES versus approximately 8,500 in 2011/12.
- Auxiliary revenues no longer show on the district's finances as Bookstore operations were assumed by Barnes & Noble in December of 2011. As a result of this arrangement, the district now receives commissions on sales while improving services to students, faculty and staff.
- State apportionment decreased about $3.3 million corresponding to the approximate $4.3 million increase in property taxes and local revenues as a direct result to the redevelopment agency wind down. The increase in the latter essentially shifts funding liability from the state to the county.
- Federal funding decreased due to lower PELL grants awarded, and decreased direct lending tied directly to the lower FTES achieved this academic year.
- Investment income is down due to very low interest and lower average cash balances due to intraperiod apportionment deferrals.



Significant expenditure variances include:

- Employee benefits decreased as a direct result of moving health insurance from a self insured plan to the CalPERS plan.
- Supplies, services, and other operating expenditures decreased primarily due to the Bookstore cost of sales now being accounted as part of Barnes & Noble operations and the elimination of the contract arrangement between Solano College and the Solano College Theater Association.



Changes in Cash Position

Table 4

	2013	2012	Change	2011	Change
Cash Provided by (Used in)					
Operating activities	$ (57,878,467)	$ (60,866,233)	$ 2,987,766	$ (67,873,767)	$ 7,007,534
Noncapital financing activities	65,927,705	60,689,820	5,237,885	68,490,907	(7,801,087)
Capital financing activities	120,461,633	(3,445,136)	123,906,769	(1,475,045)	(1,970,091)
Investing activities	209,987	227,566	(17,579)	402,841	(175,275)
Net Increase (Decrease) in Cash	128,720,858	(3,393,983)	132,114,841	(455,064)	(2,938,919)
Cash, Beginning of Year	29,016,987	32,410,970	(3,393,983)	32,866,034	(455,064)
Cash, End of Year	$ 157,737,845	$ 29,016,987	$ 128,720,858	$ 32,410,970	$ (3,393,983)

Major increases to the cash position of the district resulted from issuance of Measure Q bonds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The district incurred approximately $13 million in Construction in Progress, projects which will be capitalized upon completion.

Table 5

	Balance Beginning of Year, Restated	Additions	Deletions	Balance End of Year
Land and construction in progress	$ 9,658,967	$ 9,761,297	$ -	$ 19,420,264
Buildings and improvements	172,026,352	3,185,212	-	175,211,564
Equipment and furniture	11,707,912	2,035,360	257,380	13,485,892
Subtotal	193,393,231	14,981,869	257,380	208,117,720
Accumulated depreciation	42,281,831	4,618,042	257,380	46,642,493
	$ 151,111,400	$ 10,363,827	$ -	$ 161,475,227

Obligations

Long-term debt includes general obligation bonds outstanding, revenue bonds, leases payable, employee compensated absences, and retirement obligations.

All general obligation bonds authorized by the 2002 ballot measure have been issued, so no new long-term debt issuances relative to Measure G occurred during the year. General obligation bonds outstanding increased due to the issuance of $120 million of Measure Q bonds in June and issuance of $12.3 million of Qualified Energy Conservation Bonds in December 2012, accretion of interest on capital appreciation bonds, and decreased due to payment of annual scheduled debt service payments.

Table 6

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation and lease revenue bonds	$ 120,443,082	$ 135,140,440	$ 4,999,081	$ 250,584,441
Compensated absences	944,523	4,833	22,878	926,478
Capital leases	282,939	-	92,348	190,591
Supplemental retirement plan	524,334	-	174,778	349,556
OPEB liability	7,493,397	1,718,356	1,497,258	7,714,495
Total Long-Term Debt	$ 129,688,275	$ 136,863,629	$ 6,786,343	$ 259,765,561
Amount due within one year				$ 6,010,471

BUDGETARY HIGHLIGHTS – 2013-14

Introduction
The 2013 Budget Act reflects California's most stable fiscal footing in well over a decade. With the tough spending cuts enacted over the past two years and new temporary revenues provided by the passage of Proposition 30, the state's budget is projected to remain balanced for the foreseeable future. However, substantial risks, uncertainties, and liabilities remain.

The Budget overhauls the state's system of K-12 education finance — creating a more just allocation of resources and providing expanded flexibility. It also reinvests in the state's universities and increases their affordability. The Budget implements an affordable and sustainable path for the expansion of coverage under federal health care reform.

The Budget also makes targeted investments —dental care, mental health, and middle class scholarships — while maintaining structural balance into the future. Overall, it also preserves the state's safety net, encourages job growth, and pays down debt.

Reinvesting in Education
With the passage of Proposition 30, the Budget reinvests in, rather than cuts, education funding. From 2011-12 through 2016-17, the Proposition 98 minimum funding guarantee will increase from $47.2 billion to $67.1 billion, an increase of about $20 billion.

For K-12 schools, funding levels will increase by $1,045 per student through 2013-14 and by $2,835 per student through 2016-17.

The Budget begins to correct historical inequities in school district funding by adopting a new allocation formula and dedicating $2.1 billion in new funding beginning in 2013-14. By committing new funding to districts serving English language learners, students from low-income families, and foster youth, the formula ensures that the students most in need of help have an equal opportunity for a quality education.

This new funding will be coupled with strong accountability. It will allow communities to govern their schools locally — but provide authority to county offices of education and the state to assist if districts fail to improve. Districts will be required to improve outcomes for all students, and specifically for English learners, students from low-income families, and foster youth. Independent audits and county and state oversight will make sure this occurs.

As shown in Figure INT-01, the 2013 Budget increases funding for higher education by between $1,649 and $2,491 per student through 2016-17. In addition, a new financial aid program for middle class families will begin next year.

Figure INT-01
Budget Increases Funding Per Student

	2011-12	**2016-17**	**Funding Increase**
K-12 Education	$7,175	$10,010	$2,835
Community Colleges	$4,893	$6,542	$1,649
California State University	$5,860	$7,803	$1,943
University of California	$10,630	$13,121	$2,491

Expanding Health Care
Medi-Cal currently serves more than one out of every five Californians. Federal health care reform will significantly expand this coverage. The Budget moves forward with a state-based approach to the optional expansion of care allowed under federal law. This expansion will significantly increase health care coverage, improve access to mental health services, expand substance use disorder treatment, and bring in new federal dollars. The law, however, also comes with costs, risks, and uncertainties. The state currently dedicates about $1.5 billion annually to counties for health care, primarily for services for indigent adults — many of the same people who will move to Medi-Cal under the new law. Over time, as the state takes on more responsibility for health care, funding previously provided to counties for indigent health will be shifted to fund human services programs. To ensure adequate funding remains at the county level for safety net services, dollars will be redirected based on a county-by-county formula.

A Balanced Budget Plan, But Risks Remain
The Budget represents a multiyear plan that is balanced, maintains a $1.1 billion reserve, and pays down budgetary debt. The state's recent budget challenges have been exacerbated by the Wall of Debt — an unprecedented level of debts, deferrals, and budgetary obligations accumulated over the prior decade. The Budget dedicates billions to repay this budgetary borrowing. Moving forward, continuing to pay down the Wall of Debt is key to increasing the state's fiscal capacity. In 2011, the level of outstanding budgetary borrowing totaled $35 billion which will be reduced to less than $27 billion this year. And under the Budget's projections, it will be reduced to below $5 billion by the end of 2016-17.

The budget remains balanced only by a narrow margin. The pace of the economic and revenue recovery is still uncertain, and California needs to address other liabilities that have been created over many decades. Eliminating the liabilities will take many years and constrain the state's capacity to make other investments. Only by continuing to exercise fiscal discipline can the state avoid repeating the boom and bust cycles of the last decade.

May Revise – Impact on Community Colleges

The 2013/14 budget provides additional access of $89.4 million or a 1.63% restoration of previous years' workload reductions. It also affords a cost of living adjustment (COLA) of $87.5 million or 1.57%; this is the 1st COLA since 2007/08.

Categorical Program funding is increasing $88 million with $50 million for Student Success and Support, $15 million for DSPS, $15 million for EOPS and $ 8 million for CalWorks.

As a system we will see reduction in Deferrals.

Additionally, $30 million is allotted for deferred maintenance & instructional equipment and library materials and $150,000 has been earmarked for an increase for Academic Senate.
New Initiatives for community colleges include a shift in Adult Education from K-12 with $25 million for local planning grants to local consortia which must include at least one community college district and one K12 Local Education Agency. No change to existing non-credit programs or funding is proposed.

Online Education will see an increase of $16.9 million with the CCCCO planning to develop a common Learning Management System.

An estimated $41 million via Proposition 39 will be available for energy projects, after low interest loans and workforce component.

Concerns
Thanks to passage of Proposition 30 and an improving economy we see a rosier budget picture. But Proposition 30 is temporary, with the Sales Tax increase terminating at the end of 2016, and the Income Tax increase ending at the end of 2018.

Furthermore, the apportionment is getting more complicated: In 2008/09 about 2/3 of the apportionment was General Fund approved in the Budget Act whereas now it is 1/3. In other words 2/3 of apportionment funding is now based on estimates that may or may not hold up.

EPA and RDA
While the Educational Protection Act (EPA/Proposition 30 funding) and Redevelopment Agency wind down are statutorily guaranteed via backfills, timing and determination of gaps creates delays and confusion. This lack of continuous appropriation is an increasing problem.

ECONOMIC FACTORS AFFECTING THE FUTURE OF SOLANO COMMUNITY COLLEGE DISTRICT

In 2012-13 the district served 6,990 full-time equivalent students. The Solano Community College District Board and Leadership remains committed to assuring access for residents of the college district service area. This has been done in the face of declining resources. The district continues to reallocate and reassign resources in order to fulfill its primary mission and to fund mission critical initiatives and services. As a result of action that has been taken to mitigate the impact of lost revenue and cost increases, services have been impacted and are likely to be in the future.

The District FTES target for 2013-14 is 8,500 FTES

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, Yulian Ligioso, Vice President of Finance & Administration; (707) 864-7209; yulian.ligioso@solano.edu.

SOLANO COMMUNITY COLLEGE DISTRICT

STATEMENTS OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
Current Assets		
Cash and cash equivalents	$ 6,393,037	$ 724,744
Restricted cash and cash equivalents	151,344,808	28,292,243
Accounts receivable, net	12,063,938	15,531,337
Prepaid expenses	452,622	183,945
Other current assets - current portion	50,388	-
Total Current Assets	170,304,793	44,732,269
Noncurrent Assets		
Deferred charges - noncurrent portion	1,620,601	-
Nondepreciable capital assets	19,420,264	9,658,967
Depreciable capital assets, net of depreciation	142,054,963	115,960,948
Total Noncurrent Assets	163,095,828	125,619,915
TOTAL ASSETS	333,400,621	170,352,184
LIABILITIES		
Current Liabilities		
Accounts payable	8,729,720	5,859,467
Interest payable	1,363,812	1,439,145
Due to fiduciary funds	123,101	-
Deferred revenue	3,951,984	3,597,514
Deferred bond premium - current portion	501,206	479,081
Lease obligations - current portion	94,299	92,348
Supplemental retirement plan - current portion	174,778	174,778
Revenue bonds payable - current portion	340,188	-
Bonds payable - current portion	4,900,000	4,520,000
Total Current Liabilities	20,179,088	16,162,333
Noncurrent Liabilities		
Deferred bond premium	5,190,182	5,027,639
Compensated absences payable - noncurrent portion	926,478	944,523
OPEB liability - noncurrent portion	7,714,495	7,493,397
Lease obligations - noncurrent portion	96,292	190,591
Supplemental retirement plan - noncurrent portion	174,778	349,556
Revenue bonds payable - noncurrent portion	11,959,812	-
General obligation bonds payable - noncurrent portion	227,693,053	110,416,362
Total Noncurrent Liabilities	253,755,090	124,422,068
TOTAL LIABILITIES	273,934,178	140,584,401
NET POSITION		
Net investment in capital assets	56,907,444	26,452,053
Restricted for:		
Debt service	6,815,071	6,734,084
Educational programs	1,827,194	1,963,578
Unrestricted	(6,083,266)	(5,381,932)
TOTAL NET POSITION	$ 59,466,443	$ 29,767,783

The accompanying notes are an integral part of these financial statements.

SOLANO COMMUNITY COLLEGE DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
OPERATING REVENUES		
Student Tuition and Fees	$ 8,598,744	$ 8,333,266
Less: Scholarship discount and allowance	(5,119,984)	(4,426,492)
Net tuition and fees	3,478,760	3,906,774
Auxiliary Enterprise Sales and Charges		
Bookstore	-	1,322,839
TOTAL OPERATING REVENUES	3,478,760	5,229,613
OPERATING EXPENSES		
Salaries	29,665,105	29,624,357
Employee benefits	12,731,663	14,603,380
Supplies, materials, and other operating expenses	21,749,520	26,074,301
Depreciation	4,618,043	3,635,653
TOTAL OPERATING EXPENSES	68,764,331	73,937,691
OPERATING LOSS	(65,285,571)	(68,708,078)
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	28,006,801	31,283,738
Local property taxes, levied for general purposes	11,768,366	8,523,670
Taxes levied for other specific purposes	7,949,598	7,978,991
Federal grants	14,002,812	15,178,106
State grants	5,395,734	5,352,286
Local grants and other revenues	2,792,729	1,461,480
State taxes and other revenues	848,081	1,383,043
Investment income	209,987	227,566
Interest expense on capital related debt	(1,665,464)	(5,125,674)
Investment income on capital asset-related debt, net	24,118	23,472
Transfer from agency fund	86,032	24,275
Transfer to agency fund	-	(150,260)
TOTAL NONOPERATING REVENUES (EXPENSES)	69,418,794	66,160,693
INCOME BEFORE OTHER REVENUES AND EXPENSES	4,133,223	(2,547,385)
OTHER REVENUES AND EXPENSES		
Local revenues, capital	54,725	880,673
Gain or loss on sale of equipment and insurance reimbursements	19,227	-
TOTAL OTHER REVENUES AND EXPENSES	73,952	880,673
CHANGE IN NET POSITION	4,207,175	(1,666,712)
NET POSITION, BEGINNING OF YEAR	29,767,783	31,434,495
RESTATEMENT	25,491,485	-
NET POSITION, END OF YEAR	$ 59,466,443	$ 29,767,783

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 3,258,621	$ 3,611,069
Payments to vendors for supplies and services	(6,999,957)	(8,447,675)
Payments to or on behalf of employees	(42,109,236)	(43,355,966)
Payments to students for scholarships and grants	(12,977,961)	(14,774,151)
Auxiliary enterprise sales and charges:	-	1,322,839
Other operating receipts (payments)	950,066	777,651
Net Cash Flows From Operating Activities	(57,878,467)	(60,866,233)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	31,651,242	28,501,442
Grant and contracts	21,288,653	20,969,795
Property taxes - nondebt related	11,768,366	8,523,670
State taxes and other apportionments	848,081	1,383,043
Transfers from fiduciary funds	86,032	24,275
Transfers to fiduciary funds	-	(150,260)
Other nonoperating	285,331	1,437,855
Net Cash Flows From Noncapital Financing Activities	65,927,705	60,689,820
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(12,106,453)	(3,642,245)
Proceeds from issuance of debt	132,539,659	-
Local revenue, capital projects	54,725	880,673
Property taxes - related to capital debt	7,949,598	7,978,991
Principal paid on capital debt	(4,612,348)	(4,250,286)
Interest paid on capital debt	(3,363,548)	(4,412,269)
Net Cash Flows From Capital Financing Activities	120,461,633	(3,445,136)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	209,987	227,566
Net Cash Flows From Investing Activities	209,987	227,566
NET CHANGE IN CASH AND CASH EQUIVALENTS	128,720,858	(3,393,983)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,016,987	32,410,970
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 157,737,845	$ 29,016,987

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS - PRIMARY GOVERNMENT, Continued
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	$ (65,285,571)	$ (68,708,078)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:		
Depreciation and amortization expense	4,618,043	3,635,653
Changes in Assets and Liabilities:		
Receivables	(220,139)	(210,448)
Stores inventories	-	1,456,169
Prepaid expenses	(268,677)	(151,104)
Accounts payable and accrued liabilities	2,870,253	3,196,832
Deferred revenue	407,624	(85,257)
Total Adjustments	7,407,104	7,841,845
Net Cash Flows From Operating Activities	$ (57,878,467)	$ (60,866,233)

	2013	2012
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash in banks	$ 10,627,169	$ 485,652
Cash equivalents, County Cash	146,913,615	28,335,600
Cash equivalents, Local Agency Investment fund	197,061	195,735
Total Cash and Cash Equivalents	$ 157,737,845	$ 29,016,987
NON CASH TRANSACTIONS		
On behalf payments for benefits	$ 876,939	$ 886,274

The accompanying notes are an integral part of these financial statements.

SOLANO COMMUNITY COLLEGE DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
Cash and cash equivalents	$ 999,385	$ 939,662
Investments	1,394,734	1,286,411
Accounts receivable, net	78,316	68,132
Receivable from governmental funds	123,101	-
Total Assets	2,595,536	2,294,205
LIABILITIES		
Accounts payable	21,006	425
Deferred revenue	54,842	46,148
Total Liabilities	75,848	46,573
NET POSITION		
Unrestricted	2,519,688	2,247,632
Total Net Position	$ 2,519,688	$ 2,247,632

The accompanying notes are an integral part of these financial statements.

SOLANO COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
ADDITIONS		
Federal revenues	$ 25,171	$ 17,045
Tuition and fees	79,184	107,981
Local revenues	707,378	792,813
Total Additions	811,733	917,839
DEDUCTIONS		
Books and supplies	82,203	53,458
Services and operating expenditures	371,442	162,996
Total Deductions	453,645	216,454
	358,088	701,385
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	23,737
Operating transfers out	(86,032)	(342,243)
Other uses	-	(5,962)
Total Other Financing Sources (Uses)	(86,032)	(324,468)
Change in Net Position	272,056	376,917
Net Position - Beginning	2,247,632	1,870,715
Net Position - Ending	$ 2,519,688	$ 2,247,632

The accompanying notes are an integral part of these 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units.* This statement amends GASB Statements No. 14 and 39, *The Financial Reporting Entity,* to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. 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, Basis of Accounting, 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 Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. 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. 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 Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

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.

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.

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37 and No. 38. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
    - Statements of Net Position – Primary Government
    - Statements of Revenues, Expenses, and Changes in Net Position – Primary Government
    - Statements of Cash Flows – Primary Government
    - Financial Statements for the Fiduciary Funds including:
        - Statements of Fiduciary Net Position
        - Statements of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments held at June 30, 2013 and 2012, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

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.

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 $901,739 and $651,739 for the years ended June 30, 2013 and 2012, respectively.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

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 estimated fair market 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 Obligations

All payables, accrued liabilities, and long-term obligations are reported in the entity-wide financial statements.

Deferred Issuance Costs, Premiums, and Discounts

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

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 entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. The District agreements include a provision that overload or underload be adjusted within three semester periods.

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 school 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 Revenue

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Deferred revenues include (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 and notes payable, compensated absences, claims payable, capital lease obligations and OPEB obligations with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. Net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net position categories:

Net Investment in Capital Assets Capital Assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt had been incurred, but not yet expended for capital assets, such accounts are not included as a component net investment in capital assets.

Restricted - Nonexpendable: Net position is reported as restricted when there are limitation imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

None of the District's restricted net assets have resulted from enabling legislation adopted by the District.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed.

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.

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers 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. To the extent that fee waivers and discounts have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, 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. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations,* and the related *Compliance Supplement.*

On-Behalf Payments

GASB Statement No. 24 requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on-behalf payments to the California State Teachers' Retirement System (CalSTRS) and the California Public Employers' Retirement System (CalPERS) on behalf of all community colleges in California. The California Department of Education has issued a fiscal advisory instructing districts not to record the revenue and expenditures for the on behalf payments within the funds and accounts of a district. The amount of the on behalf payments made for the District of the year ended June 30, 2013, was $876,939 for CalSTRS and $0 for CalPERS. These amounts are reflected in the District's audited financial statements.

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.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the entity-wide financial statements.

Changes in Accounting Principles

In March 2012, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 62 establishes standards of financial accounting and reporting for capitalizing interest cost as a part of the historical cost of acquiring certain assets. For the purposes of applying this Statement, interest cost includes interest recognized on obligations having explicit interest rates and interest imputed on certain types of payables, as well as interest related to capital leases.

The District has implemented the provisions of this Statement for the year ended June 30, 2013. See Note 16 for more information.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The District has implemented the provisions of this Statement for the year ended June 30, 2013.

New Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement No. 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement No. 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Early implementation is encouraged.

In June 2012, the GASB issued Statement No. 68*, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.

- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).

- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

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

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

Authorized Under Debt Agreements

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
County Pooled Investment Funds	N/A	None	None

Summary of Deposits and Investments

Deposits and investments as of June 30, 2013, are classified in the accompanying financial statements as follows:

Business-type activities	$ 157,737,845
Fiduciary funds	2,394,119
Total Deposits and Investments	$ 160,131,964

Deposits and investments as of June 30, 2013, consist of the following:

Cash on hand and in banks	$ 11,048,135
Cash in revolving	15,528
Investments	149,068,301
Total Deposits and Investments	$ 160,131,964

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County pool and LAIF.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Fair Value	Weighted Average Maturity in Years
Master Trusts	$ 1,394,734	Less than one
County Pool	147,476,506	1.25
State Investment Pool	197,061	.65 years
Total	$ 149,068,301	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool are not required to be rated, nor they been rated as of June 30, 2013.

Investment Type	Fair Value	Not Required To Be Rated	Rating as of Year End AAA	Aa	Unrated
County Pool	$ 147,476,506	$ 147,476,506	$ -	$ -	$ 147,476,506
Joint Powers Agency Risk Pools	1,394,734	1,394,734	-	-	1,394,734
State Investment Pool	197,061	197,061	-	-	197,061
Total	$ 149,068,301	$ 149,068,301	$ -	$ -	$ 149,068,301

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. Disclosure of amounts in one issuer that represent five percent or more of total investments is not required for the District's investments in the County pool and LAIF.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. 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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2013, approximately $9,500,000 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 4 - ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	Primary Government 2013	Primary Government 2012
Federal Government		
Categorical aid	$ 605,071	$ 281,662
State Government		
Apportionment	7,647,374	11,291,815
Categorical aid	125,520	334,054
Restricted lottery	151,102	322,345
Local Sources		
Student receivables, net	2,711,486	2,491,347
Other local sources	823,385	810,114
Total	$ 12,063,938	$ 15,531,337
Student receivables	$ 3,613,225	$ 3,143,086
Less allowance for bad debt	(901,739)	(651,739)
Student receivables, net	$ 2,711,486	$ 2,491,347

Fiduciary Funds

	Fiduciary Funds 2013	Fiduciary Funds 2012
Local Sources		
Student receivables, net	$ 78,316	$ 68,132

NOTE 5 - PREPAID EXPENSES AND OTHER ASSETS

The District paid facility rent and workers compensation insurance prior to June 30, 2013.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2013, was as follows:

	Balance Beginning of Year, Restated	Additions / Adjustments	Deductions / Adjustments	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 6,524,355	$ -	$ -	$ 6,524,355
Construction in progress	3,134,612	9,761,297	-	12,895,909
Total Capital Assets Not Being Depreciated	9,658,967	9,761,297	-	19,420,264
Capital Assets Being Depreciated				
Land improvements	8,683,899	-	-	8,683,899
Buildings	148,366,640	2,078,378	-	150,445,018
Building improvements	14,975,813	1,106,834	-	16,082,647
Furniture and equipment	11,707,912	2,035,360	257,380	13,485,892
Total Capital Assets Being Depreciated	183,734,264	5,220,572	257,380	188,697,456
Total Capital Assets	193,393,231	14,981,869	257,380	208,117,720
Less Accumulated Depreciation				
Land improvements	3,981,425	253,833	-	4,235,258
Buildings	27,351,347	2,995,795	-	30,347,142
Building improvements	2,155,872	755,375	-	2,911,247
Furniture and equipment	8,793,187	613,039	257,380	9,148,846
Total Accumulated Depreciation	42,281,831	4,618,042	257,380	46,642,493
Net Capital Assets Being Depreciated	141,452,433	602,530	-	142,054,963
Net Capital Assets	$ 151,111,400	$ 10,363,827	$ -	$ 161,475,227

Depreciation expense for the year 2013 was $4,618,042.

Interest expense on capital related debt for the year ended June 30, 2013, was $3,743,843. Of this amount, $2,078,379 was capitalized.

Capital asset activity for the District for the fiscal year ended June 30, 2012, was as follows:

	Balance Beginning of Year	Additions / Adjustments	Deductions / Adjustments	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 6,524,355	$ -	$ -	$ 6,524,355
Construction in progress	-	3,134,612	-	3,134,612
Total Capital Assets Not Being Depreciated	6,524,355	3,134,612	-	9,658,967
Capital Assets Being Depreciated				
Land improvements	8,683,899	-	-	8,683,899
Buildings	126,321,031	-	-	126,321,031
Building improvements	6,044,005	57,091	-	6,101,096
Furniture and equipment	11,366,392	546,320	204,800	11,707,912
Total Capital Assets Being Depreciated	152,415,327	603,411	204,800	152,813,938
Total Capital Assets	158,939,682	3,738,023	204,800	162,472,905
Less Accumulated Depreciation				
Land improvements	3,719,444	261,981	-	3,981,425
Buildings	19,956,979	2,544,334	-	22,501,313
Building improvements	1,273,469	303,596	-	1,577,065
Furniture and equipment	8,356,757	545,452	109,022	8,793,187
Total Accumulated Depreciation	33,306,649	3,655,363	109,022	36,852,990
Net Capital Assets Being Depreciated	119,108,678	(3,051,952)	95,778	115,960,948
Net Capital Assets	$ 125,633,033	$ 82,660	$ 95,778	$ 125,619,915

Depreciation expense for the year 2012 was $3,655,363.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government	
	2013	2012
Accrued payroll and related liabilities	$ 1,171,648	$ 915,391
Construction projects	2,685,136	1,015,042
Construction retention	447,851	-
Vendor payables	4,425,085	3,929,034
Total	$ 8,729,720	$ 5,859,467

Fiduciary Funds

	Fiduciary Funds	
	2013	2012
Vendor Payable	$ 21,006	$ 425

NOTE 8 - DEFERRED REVENUE

Deferred revenue consisted of the following:

	Primary Government	
	2013	2012
Federal financial assistance	$ 65,049	$ 71,554
State categorical aid	722,057	1,203,237
State deferred restricted lottery	561,442	-
Enrollment fees	2,571,010	2,163,386
Other local	32,426	159,337
Total	$ 3,951,984	$ 3,597,514

Fiduciary Funds

	Fiduciary Funds	
	2013	2012
Other local	$ 54,842	$ 46,148

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

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

As of June 30, 2013, the amount owed between the government and the fiduciary funds was $123,101, for a transfer of retiree benefits costs from the general fund to the post employment benefit fund.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers between funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2013 fiscal year the amount transferred to the primary government from the fiduciary fund amounted to $0. The amounts transferred from the fiduciary funds to the primary government amounted to $86,032.

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2013 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
General obligation bonds	$ 114,936,362	$ 122,176,691	$ 4,520,000	$ 232,593,053	$ 4,900,000
Revenue bonds	-	12,300,000	-	12,300,000	340,188
Bond premiums	5,506,720	663,749	479,081	5,691,388	501,206
Total Bonds and Notes Payable	120,443,082	135,140,440	4,999,081	250,584,441	5,741,394
Other Liabilities					
Compensated absences	944,523	-	18,045	926,478	-
Capital leases	282,939	-	92,348	190,591	94,299
Supplemental retirement plan	524,334	-	174,778	349,556	174,778
OPEB Liability	7,493,397	221,098	-	7,714,495	-
Total Other Liabilities	9,245,193	221,098	285,171	9,181,120	269,077
Total Long-Term Debt	$ 129,688,275	$ 135,361,538	$ 5,284,252	$ 259,765,561	$ 6,010,471

The changes in the District's long-term obligations during the 2012 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	$ 116,967,284	$ 2,129,078	$ 4,160,000	$ 114,936,362	$ 4,520,000
Bond premiums	5,985,801	-	479,081	5,506,720	479,081
Total Bonds and Notes Payable	122,953,085	2,129,078	4,639,081	120,443,082	4,999,081
Compensated absences	893,682	65,752	14,911	944,523	-
Capital leases	373,225	-	90,286	282,939	92,348
Supplemental retirement plan	699,112	-	174,778	524,334	174,778
OPEB Liability	7,677,479	1,802,451	1,986,533	7,493,397	-
Total Other Liabilities	9,643,498	1,868,203	2,266,508	9,245,193	267,126
Total Long-Term Debt	$ 132,596,583	$ 3,997,281	$ 6,905,589	$ 129,688,275	$ 5,266,207

Description of Debt

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Payments on the lease revenue bonds are made by the capital outlay fund with Measure G funds. The capital leases are paid by the general fund. The compensated absences, supplemental retirement plan, and OPEB liability will be paid by the fund for which the employee worked.

General Obligations Bonds

General obligation bonds were approved by a local election in 2002. The total amount approved by the voters was $124,500,000.

In May 2003, the District issued 2002 General Obligation Bonds, Series A in the amount of $80,000,000 for the purpose of construction and repairing college education facilities.

In March 2005, the District issued $81,349,812 of General Obligation Refunding Bonds with interest rates ranging from 3 percent to 5 percent to advance refund the 2003 issued and outstanding term bonds with remaining obligation of $77,045,000. The final maturity date of the bonds is August 1, 2022. After payment of issuance and related costs of $1,002,244 the net proceeds of the bond sale were $88,845,928. $80,406,861 of the net proceeds was used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are paid in full. The advanced refunding met the requirements of a legal debt defeasance and the prior bond issuance is removed from the District's government wide financial statements. The premium from the bond issuance of $8,498,361 and gain on defeasance of $702,367 are capitalized and being amortized over the life of the bond.

In May 2005, the District issued 2002 General Obligation Bonds, Series B in the amount of $44,495,279 for the purpose of construction and repairing college education facilities. The final maturity date of the bonds is August 1, 2031.

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 for the purpose of construction and repairing college education facilities. The final maturity date of the bonds is August 1, 2047.

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2012	Issued	Accreted	Redeemed	Bonds Outstanding June 30, 2013
Mar-05	8/1/2022	3.0%-5.0%	$ 81,349,812	$ 63,292,999	$ -	$ 1,640,156	$ 4,055,000	$ 60,878,155
Sep-06	8/1/2031	4.0%-5.0%	44,495,279	51,643,363	-	539,636	465,000	51,717,999
Jun-13	8/1/2047	2.0%-5.49%	89,996,899	-	89,996,899	-	-	89,996,899
Jun-13	8/1/2040	2.8%-5.5%	30,000,000	-	30,000,000	-	-	30,000,000
				$ 114,936,362	$ 119,996,899	$ 2,179,792	$ 4,520,000	$ 232,593,053

Debt Maturity

Fiscal Year	Principal	Interest	Interest to Maturity	Total
2014	$ 4,900,000	$ 8,918,245	$ -	$ 13,818,245
2015	6,730,000	8,150,367	-	14,880,367
2016	8,070,000	7,566,692	-	15,636,692
2017	8,532,169	7,185,492	242,831	15,960,492
2018	9,640,000	6,751,542	-	16,391,542
2019-2023	34,629,811	28,442,264	9,750,188	72,822,263
2024-2028	23,638,946	28,191,008	27,921,052	79,751,006
2029-2033	26,891,013	26,753,399	22,263,987	75,908,399
2034-2038	13,381,617	22,896,689	8,977,194	45,255,500
2039-2043	27,723,433	17,195,103	12,001,750	56,920,286
2044-2048	55,785,000	6,547,842	-	62,332,842
Total	219,921,989	$ 168,598,643	$ 81,157,002	$ 469,677,634
Accretions to date	12,671,064			
Total	$ 232,593,053			

Lease Revenue Bonds

In May 2013, the District issued Lease Revenue Bonds in the amount of $12,300,000 for the purpose of solar projects.

Year Ending June 30,	Lease Principal	Interest	Total
2014	$ 340,188	$ 832,095	$ 1,172,283
2015	688,300	531,657	1,219,957
2016	699,003	500,494	1,199,498
2017	709,873	468,847	1,178,720
2018	720,911	436,708	1,157,619
2019-2023	3,776,236	1,683,685	5,459,921
2024-2028	4,079,112	801,844	4,880,956
2029	1,286,377	58,165	1,344,541
	$ 12,300,000	$ 5,313,495	$ 17,613,495

Capital Lease Obligations

The District has entered into various lease-purchase agreements for equipment originally valued at $1,200,000 under agreements which provide for title to pass upon expiration of the lease period. Interest charged on certain lease-purchase agreements is calculated at 65 percent to 72 percent of prime rates. The capitalized lease obligations are generally collateralized by the leased property. The annual debt service for these leases is paid from the operating revenues of the District.

Capital improvements	$ 1,200,000
Less: Estimated accumulated depreciation	672,000
Total	$ 528,000

Year Ending June 30,	Lease Payment
2014	$ 98,326
2015	98,327
Total	196,653
Less: Amount Representing Interest	6,062
Present Value of Minimum Lease Payments	$ 190,591

Supplemental Retirement Plan

The district by board resolution offered a Supplementary Retirement Plan through PARS (Public Agency Retirement Services) effective April 21, 2010. Seventeen faculty, staff, and administrators participated in the program and have retired. The district will fund the annuity premiums as follows:

Year Ending June 30,	Retirement Payment
2014	$ 174,778
2015	174,778
Total	$ 349,556

Other Postemployment Benefits Obligation

The District's annual required contribution for the year ended June 30, 2013, was $1,718,356, and contributions made by the District during the year were $1,497,258, which resulted in a net increase to the net OPEB obligation of $305,193. As of June 30, 2013, the net OPEB obligation was $7,714,495. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

	Faculty	Classified	Management	Operating Engineers
Benefit types provided	Medical, dental and vision *	Medical, dental and vision *	Medical, dental and vision *	Medical, dental and vision *
Duration of Benefits	10 years **	5, 8, or 10 years **	5, 8, or 10 years **	5, 8, or 10 years **
Required Service	15 years ***	10 years	10 years	10 years
Minimum Age	55	50	50	50
Dependent Coverage	Spouse	Spouse	Spouse	Spouse
District Contribution %	100%	100%	100%	100%
District Cap	None	None	None	None

* Some retirees do not receive all three benefit types.

**Retirees electing coverage for less than 10 years receive cash payments depending on the duration elected. Retirees may waive retiree health benefits in exchange for cash payments. Faculty and management may waive dental benefits in exchange for cash payments.
***Faculty hired before July 1, 2004 only need 10 years of service

Plan Description

The District Plan provides medical and dental, and vision insurance benefits to eligible retirees and their spouses. Membership in the Plan consists of 118 retirees and beneficiaries currently receiving benefits, and 329 active employee plan members. 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 Trust can be obtained by contacting the California Community College League Retiree Health Benefit Program at 2017 O Street, Sacramento CA 95811.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2012-2013, the District paid $1,497,258 in pay as you go health premiums and did not contribute any additional amounts to the JPA Investment Trust in 2012-13. In addition, the District has accrued a payable of $123,101 to be transferred to the trust after June 30, 2013.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the payments of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed through payment of pay as you go amounts and contributions to the Investment Trust, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	$ 1,718,356
Total contributions	(1,497,258)
Increase (decrease) in net OPEB obligation	221,098
Net OPEB obligation, July 1, 2012	7,493,397
Net OPEB obligation, June 30, 2013	$ 7,714,495

The annual OPEB cost, the percentage of annual OPEB cost contributed through pay as you go amounts and to the Investment Trust, and the net OPEB obligation for the past three years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
June, 2013	$ 1,718,356	$ 1,497,258	87%	$ 7,714,495
June, 2012	1,802,451	1,986,533	110%	7,493,397
June, 2011	1,509,429	1,604,049	106%	7,677,479

Funding Status and Funding Progress

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the actuarial value of Investment Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the October 1, 2010, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 6.5 percent investment rate of return (net of administrative expenses), based on the Plan being funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. Healthcare cost trend rates 4 percent. The UAAL is being amortized using the level percent of payroll method. The remaining amortization period at June 30, 2012, was 22 years. The actuarial value of assets was $1,016,238 as of this actuarial valuation.

NOTE 12 - RISK MANAGEMENT

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

During fiscal year ending June 30, 2013, 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.

Workers' Compensation

For fiscal year 2012-2013, the District participated 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 Benefits

The District has contracted 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.

Insurance Program / Company Name	Type of Coverage	Limits
Northern Community Colleges Self Insurance Authority	Workers' Compensation	Statutory Limits
Northern Community Colleges Self Insurance Authority	Liability	$ 25,000,000
SAFER	Excess Liability	$25,000,000 - $50,000,000
Northern Community Colleges Self Insurance Authority	Property	$ 250,000,000

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, CA 95605.

Funding Policy

Active members are required to contribute 8.0 percent of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-2013 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ended June 30, 2013, 2012, and 2011, were $1,269,088, $1,301,476, and $1,401,028, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under 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 survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 11.417 percent of covered payroll. The contribution requirement of the plan members are established by State statute. The District’s contributions to CalPERS for fiscal years ending June 30, 2013, 2012, and 2011, were $1,175,242, $1,076,649, and $1,098,965, respectively, and equaled 100 percent of the required contributions for each year.

Tax Deferred Annuity

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) 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 percent of an employee's gross earnings. An employee is required to contribute 4 percent of his or her gross earnings to the pension plan.

On-Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal years ended June 30, 2013, 2012, and 2011, which amounted to $876,939, $886,274, and $722,836, respectively. The 2013 contribution rate was 5.176 percent of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contributions rate for CalPERS. No contributions were made for CalPERS for the years ended June 30, 2013, 2012, and 2011. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenses. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees a CalPERS 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 CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Northern California Community Colleges Self Insurance Authority and the California Community College League Retiree Health Benefit Program, Joint Powers Authorities. The District pays annual premiums for its property and liability coverage and a fee to use the retirement plan investment trust. The relationship between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPA and the District are included in these statements. Audited financial statements are available from the respective entities.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2013, the District made payments of approximately $ 1,002,246 to the Northern California Community Colleges Self Insurance Authority.

NOTE 15 - 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, 2013.

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, 2013.

Construction Commitments

As of June 30, 2013, the District had the following commitments with respect to the capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Building 1300	$ 532,288	August-13
Fairfield Sunpower	6,564,925	December-13
Vacaville Sunpower	780,120	January-14
Vallejo Sunpower	110,171	July-13
	$ 7,987,504	

Deferral of State Apportionments

Certain apportionments owed to the District for funding of FTES, categorical programs, and construction reimbursements which are attributable to the 2012-2013 fiscal year have been deferred to the 2013-2014 fiscal year. The total amount of funding deferred into the 2013-2014 fiscal year was $ 8,875,812. As of the date of the audit report, the entire amount has been received. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years.

NOTE 16 - RESTATEMENT OF PRIOR YEAR FUND BALANCES

The District's prior year beginning net position has been restated as of June 30, 2013.

Effective fiscal year 2012-2013, the District was required to capitalize interest as part of the historical cost of constructing certain business-type activity assets. This required a change in accounting principle and restatement of beginning net position. In addition, a restatement of prior year construction overhead allocation was recorded.

Net Position - Beginning	$ 29,767,783
Restatement of capital assets for implementation of GASB Statement No. 62	17,195,575
Restatement of capital assets for overhead allocations	8,295,910
Net Position - Beginning, as Restated	$ 55,259,268

REQUIRED SUPPLEMENTARY INFORMATION

SOLANO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Method Used (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
March 1, 2008	$ 937,234	$ 14,444,447	$ 13,507,213	6.5%	$ 34,304,656	39.4%
October 1, 2010	1,016,238	17,015,810	15,999,572	6.0%	$ 35,333,796	45.3%

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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 $51,810,000 of the District's 2014 General Obligation Refunding Bonds, Series A and Series B (the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Board of Trustees of the District on March 20, 2013 and February 19, 2014 (together, the "Resolution"). 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 S.E.C. 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 Willdan Financial Services, 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.

"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 as of March 12, 2014, relating to the offer and sale of the Bonds.

"Participating Underwriters" shall mean Piper Jaffray & Co., as representative of itself and 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 2013-14 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 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.

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):

(a) State funding received by the District for the last completed fiscal year;

(b) FTES of the District for the last completed fiscal year;

(c) outstanding District indebtedness;

(d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget 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. 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)(9), 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.

(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.

Dated: April 8, 2014

SOLANO COMMUNITY COLLEGE DISTRICT

By: ____

Vice-President, Finance and Administration

Acknowledged and accepted by:

WILLDAN FINANCIAL SERVICES,
As Dissemination Agent

By: ____

Vice-President

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: SOLANO COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: 2014 General Obligation Refunding Bonds, Series A and Series B

Date of Issuance: April 8, 2014

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 THE COUNTY OF SOLANO

The following information concerning the City of Fairfield, the City of Vallejo and the County of Solano is included only for the purpose of supplying general information regarding the community. Information in this Appendix has been assembled from various sources, including the public domain, and is believed to be reliable; however, the District does not warrant the accuracy or thoroughness of this information. The Bonds are not a debt of the County.

The County

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 its Bay Area neighbors Napa County to the north-northwest and Contra Costa County to the south. Sacramento County is to its east, Sonoma County is to the west, and Yolo County is also north of the County.

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; its diversified agriculture 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 ("Fairfield"), Rio Vista, Suisun City, Vacaville and Vallejo ("Vallejo").

Four interstates cross the County, with Interstate 80 bisecting the County from southwest to northeast, crossing through six of the Counties seven cities including Fairfield and Vallejo and connecting the County with San Francisco and Sacramento. Interstate 680, which begins in Fairfield, winds through the East Bay and extends to San Jose. A series of public transportation routes, including ferry service, serve the County and connect with other Bay Area public transit providers including Bay Area Rapid Transit.

Fairfield

Fairfield was incorporated in 1892 and has a council-manager form of government. It lies equidistant from the Cities of San Francisco and Sacramento, approximately 38 miles from the centers of each city. It is 37 square miles in area and is located in the center and western parts of the County, at the gateway to the Sacramento Valley to the east. Fairfield is the County seat, and 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.

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 only 32 miles away, than Sacramento, which is approximately 47 miles away. Mare Island Naval Shipyard, the first US Navy base on the Pacific Ocean, closed in 1996 and is currently being redeveloped for residential, commercial and further government use.

Population

The County's population in 2013 was estimated to be 418,387 people. The County's 2013 population was approximately 6.0% greater than the population in 2000, representing an average annual compound growth rate of 0.4%. The combined population of Vallejo and Solano in 2013 was approximately 53.9% of the total population of the County.

A summary of the population estimates of Fairfield, Vallejo, the County and the State of California for the past 13 years is shown in the following table.

POPULATION ESTIMATES
2001 through 2013
City of Fairfield, City of Vallejo, County of Solano and State of California

	City of Fairfield		City of Vallejo		County of Solano		State of California	
Year[1]	Population	% Change	Population	% Change	Population	% Change	Population	% Change
2000[2]	96,178	--	117,148	--	394,930	--	33,873,086	--
2001	97,643	1.5%	117,782	0.5%	399,476	1.2%	34,256,789	1.1%
2002	99,870	2.3	118,623	0.7	404,895	1.4	34,725,516	1.4
2003	101,526	1.7	118,893	0.2	407,882	0.7	35,163,609	1.3
2004	102,131	0.6	119,170	0.2	410,164	0.6	35,570,847	1.2
2005	102,553	0.4	117,993	(1.0)	410,985	0.2	35,869,173	0.8
2006	103,047	0.5	117,325	(0.6)	410,964	0.0	36,116,202	0.7
2007	102,828	(0.2)	117,417	0.1	411,998	0.3	36,399,676	0.8
2008	103,993	1.1	116,752	(0.6)	412,908	0.2	36,704,375	0.8
2009	103,781	(0.2)	116,653	(0.1)	412,832	0.0	36,966,713	0.7
2010[2]	105,321	1.5	115,942	(0.6)	413,344	0.1	37,253,956	0.8
2011	105,955	0.6	115,773	(0.1)	413,391	0.0	37,427,946	0.5
2012	106,897	0.9	116,496	0.5	415,787	0.6	37,668,804	0.6
2013	108,207	1.2	117,112	0.6	418,387	0.6	37,966,471	0.8

(1) As of January 1.
(2) As of April 1.
Source: 2000, 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2001-09, 2011-13 (2000 and 2010 DRU Benchmark): California Department of Finance for January 1.

Personal Income

Per capita personal income in the County grew by 49.2% from 2000 to 2012, representing an average annual compound growth of 3.1%. The following tables summarize per capita personal income for the County, the State of California and the United States for 2000 to 2012.

PER CAPITA PERSONAL INCOME
2000 through 2012
Solano County, State of California, and United States of America

Year(1)	Solano County	% Annual Change	State of California	% Annual Change	United States of America	% Annual Change
2000	$28,373	--	$33,404	--	$30,319	--
2001	30,351	7.0%	34,063	2.0%	31,157	2.8%
2002	31,154	2.6	34,222	0.5	31,481	1.0
2003	32,609	4.7	35,298	3.1	32,271	2.5
2004	34,109	4.6	37,150	5.2	34,300	6.3
2005	35,571	4.3	38,969	4.9	35,888	4.6
2006	37,537	5.5	41,627	6.8	38,127	6.2
2007	39,332	4.8	43,157	3.7	39,804	4.4
2008	39,899	1.4	43,609	1.0	40,873	2.7
2009	38,957	(2.4)	41,569	(4.7)	39,357	(3.7)
2010	38,417	(1.4)	42,297	1.8	40,163	2.0
2011	39,719	3.4	44,666	5.6	42,298	5.3
2012	42,354	6.6	46,477	4.1	43,735	3.4

Note: Per capita personal income was computed using Census Bureau midyear population estimates. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Commercial Activity

Taxable sales in the County, Fairfield and Vallejo from 2004 through 2011 are shown in the following tables.

TAXABLE SALES
2004 through 2011
County of Solano

Year	Retail Permits	Retail Stores Taxable Transactions ($000's)	Total Permits	Total Outlets Taxable Transactions ($000's)
2004	4,110	$4,050,505	8,696	$5,752,631
2005	4,066	4,273,462	8,591	6,037,305
2006	4,061	4,397,858	8,568	6,453,137
2007	4,083	4,331,843	8,531	6,277,832
2008	4,080	3,881,504	8,499	6,032,523
2009	5,182	3,354,679	7,655	5,319,472
2010	5,354	3,494,615	7,839	5,233,333
2011	5,439	3,844,513	7,916	5,779,363

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

TAXABLE SALES
2004 through 2011
City of Fairfield

Year	Retail Permits	Retail Stores Taxable Transactions ($000's)	Total Permits	Total Outlets Taxable Transactions ($000's)
2004	1,062	$1,331,500	2,039	$1,559,342
2005	1,079	1,365,993	2,053	1,628,335
2006	1,105	1,058,334	2,281	1,205,770
2007	1,043	1,362,160	2,056	1,609,035
2008	1,038	1,163,572	2,066	1,450,763
2009	1,260	916,520	1,903	1,228,082
2010	1,339	944,452	1,978	1,240,790
2011	1,391	1,050,596	2,032	1,418,267

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

TAXABLE SALES
2004 through 2011
City of Vallejo

Year	Retail Permits	Retail Stores Taxable Transactions ($000's)	Total Permits	Total Outlets Taxable Transactions ($000's)
2004	1,165	$991,774	2,383	$1,191,112
2005	1,142	1,039,750	2,319	1,186,944
2006	1,105	1,058,334	2,281	1,205,770
2007	1,096	1,014,470	2,242	1,179,421
2008	1,084	889,146	2,186	1,075,150
2009	1,335	758,476	1,841	909,517
2010	1,364	796,794	1,880	919,508
2011	1,365	865,372	1,880	985,525

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

Industry and Employment

With respect to the County, the State and the United States, the following table summarizes the civilian labor force, employment, unemployment and unemployment rate for the years 2005 through 2012.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT AND UNEMPLOYMENT RATE
2005 through 2012
County of Solano, State of California and the United States

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate[1]
2005				
Solano County	209,600	198,400	11,300	5.4%
State of California	17,544,800	16,592,200	952,600	5.4
United States	149,320,000	141,730,000	7,591,000	5.1
2006				
Solano County	210,000	199,700	10,200	4.9%
State of California	17,686,700	16,821,300	865,400	4.9
United States	151,248,000	144,427,000	7,001,000	4.6
2007				
Solano County	208,600	197,600	11,000	5.3%
State of California	17,921,000	16,960,700	960,300	5.3
United States	153,124,000	146,047,000	7,078,000	4.6
2008				
Solano County	211,200	196,800	14,400	6.8%
State of California	18,207,300	16,893,900	1,307,600	7.2
United States	154,287,000	145,362,000	8,924,000	5.8
2009				
Solano County	214,500	191,700	22,800	10.6%
State of California	18,215,700	16,151,100	1,313,500	11.3
United States	154,142,000	139,877,000	14,265,000	9.3
2010				
Solano County	215,000	189,100	25,900	12.0%
State of California	18,330,500	16,063,500	2,267,000	12.4
United States	153,889,000	139,064,000	14,825,000	9.6
2011				
Solano County	211,600	185,800	25,800	12.2%
State of California	18,404,500	16,237,300	2,167,200	11.8
United States	153,617,000	139,869,000	13,747,000	8.9
2012				
Solano County	217,000	195,000	22,000	10.1%
State of California	18,494,900	16,560,300	1,934,500	10.5
United States	154,975,000	142,469,000	12,506,000	8.1

(1) Unemployment rate is based on unrounded data. March 2012 benchmark; data is not seasonally adjusted.
Source: California State Employment Development Department.

The following table shows the annual average industry employment for Vallejo-Fairfield MSA (Solano County) between 2008 and 2012

ANNUAL AVERAGE INDUSTRY EMPLOYMENT
2008 through 2012
Vallejo-Fairfield MSA (Solano County)

	2008	2009	2010	2011	2012
Agriculture	1,600	1,600	1,400	1,400	1,400
Mining and Logging	300	300	200	300	300
Construction	9,200	7,400	7,200	7,800	7,900
Manufacturing	10,300	9,800	9,700	9,600	10,000
Wholesale Trade	4,100	4,100	4,100	4,000	4,300
Retail Trade	17,700	16,300	16,400	16,500	16,800
Transportation, Warehousing & Utilities	5,100	5,300	4,800	4,400	4,700
Information	1,500	1,300	1,300	1,100	1,100
Financial Activities	5,100	5,100	5,200	5,100	5,000
Professional & Business Services	10,600	10,800	8,800	8,800	8,700
Educational & Health Services	17,400	17,800	18,300	18,700	19,200
Leisure & Hospitality	13,400	13,200	13,000	13,100	13,400
Other Services	3,900	3,700	3,600	3,600	3,900
Government	26,900	26,100	24,900	24,300	24,100
Total Labor Force	127,200	122,700	118,900	118,800	120,700

Note: Totals may not add due to independent rounding.
Source: California Employment Development Department; March 2012 benchmark.

Largest Employers

The tables below rank major employers in the County, Fairfield and Vallejo by number of employees.

LARGEST EMPLOYERS
June 30, 2013
County of Solano

	Employer	Description	Number of Employees	% of Total County Employees
1.	Travis Air Force Base	Military base	14,353	7.14%
2.	Kaiser Permanente - Vallejo	Healthcare	2,937	1.46
3.	Fairfield-Suisun Unified School District	Primary and secondary education	2,707	1.35
4.	County of Solano	County government	2,445	1.22
5.	NorthBay Healthcare System	Healthcare	1,982	0.99
6.	California Medical Facility	Healthcare	1,953	0.97
7.	Vallejo City Unified School District	Primary and secondary education	1,600	0.80
8.	Six Flags Discovery Kingdom	Theme park	1,591	0.79
9.	California State Prison Solano	Correctional facility	1,300	0.65
10.	Kaiser Permanente - Vacaville	Primary and secondary education	1,100	0.61

Source: County of Solano 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2012.

LARGEST EMPLOYERS
2013
City of Fairfield

	Employer	Description	Number of Employees	% of Total Fairfield Employees
1.	Travis Air Force Base	Military base	14,353	29%
2.	County of Solano	County government	2,850	6
3.	Fairfield-Suisun Unified School District	Primary and secondary education	2,000	4
4.	NorthBay Healthcare System	Healthcare	1,115	2
5.	Solano Community College District(1)	Post-secondary and continuing education	650	1
6.	City of Fairfield	City government	502	1
7.	Sutter Regional Medical Foundation	Healthcare	475	1
8.	Jelly Belly Candy Co.	Candy manufacturer	461	1
9.	Westamerica Bancorporation	Financial services	407	1
10.	Pride Industries	Disabled employment services	343	1

(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: City of Fairfield 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2013.

LARGEST EMPLOYERS
2012
City of Vallejo

	Employer	Description	Number of Employees	% of Total County Employees
1.	Kaiser Permanente Medical Center	Healthcare	3,906	6.73%
1.	Six Flags Discovery Kingdom	Theme park	1,600	2.76
3.	Vallejo Unified School District	Primary and secondary education	1,600	2.76
4.	Kaiser Permanente Call Center	Healthcare	950	1.64
5.	Sutter Solano Medical Center	Healthcare	690	1.19
6.	City of Vallejo	City government	485	0.84
7.	California Highway Patrol	Law enforcement	400	0.69
8.	Touro University California	Private higher education	385	0.66
9.	U.S. Forest Service	Forest and grasslands administration	300	0.52
10.	Petrochem Corporate Headquarters	Mechanical insulation manufacturer	225	0.39

Source: City of Vallejo 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2012.

Building Activity

Annual building permit valuations and the number of permits for new dwelling units issued from 2008 through 2012 in the County and the Cities are shown in the following tables.

BUILDING PERMIT VALUATIONS
2008 through 2012
Solano County

Valuation ($000's)	2008	2009	2010	2011	2012
Residential	$128,612	$146,700	$127,872	$112,383	$133,014
Non-Residential	194,081	141,984	90,669	97,676	63,252
Total	$322,693	$288,684	$218,541	$210,059	$196,266
Units					
Single Family	323	559	441	392	453
Multiple Family	239	0	0	0	1
Total	562	559	441	392	454

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
2008 through 2012
City of Fairfield

Valuation ($000's)	2008	2009	2010	2011	2012
Residential	$8,856	$26,882	$25,882	$32,640	$41,521
Non-Residential	19,025	70,830	19,330	16,876	2,647
Total	$27,881	$97,712	$45,212	$49,516	$44,168
Units					
Single Family	34	147	139	181	255
Multiple Family	0	0	0	0	0
Total	34	147	139	181	255

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
2008 through 2012
City of Vallejo

Valuation ($000's)	2008	2009	2010	2011	2012
Residential	$10,234	$18,281	$20,272	$18,243	$30,248
Non-Residential	11,417	12,716	27,868	11,955	13,496
Total	21,651	$30,997	$48,140	$30,198	$43,744
Units					
Single Family	10	45	38	30	27
Multiple Family	0	0	0	0	1
Total	10	45	38	30	28

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

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