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MARIN COMMUNITY COLLEGE DISTRICT

AUDIT REPORT

June 30, 2024

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MARIN COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Marin Community College District
Kentfield, California

Report on Audit of Financial Statements

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2024; and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
November 13, 2024

Governmental Accounting Standards Board (GASB) Statement 34/35

Marin Community College District (the "District") prepares financial reports in accordance with GASB statements No. 34/35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*," issued in November 1999. The following discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2024 and the intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial standing, this analysis should be read in conjunction with the entire Independent Auditors' Report, particularly the District's financial statements beginning on page 15, and the notes to basic financial statements beginning on page 21.

The California Community College Chancellor's Office, through its Fiscal and Accountability Standards Committee, has recommended the Business Type Activity (BTA) model for financial reporting and the District has adopted the BTA reporting model for these financial statements.

As required, the annual report consists of three basic financial statements that provide information on the District as a whole:

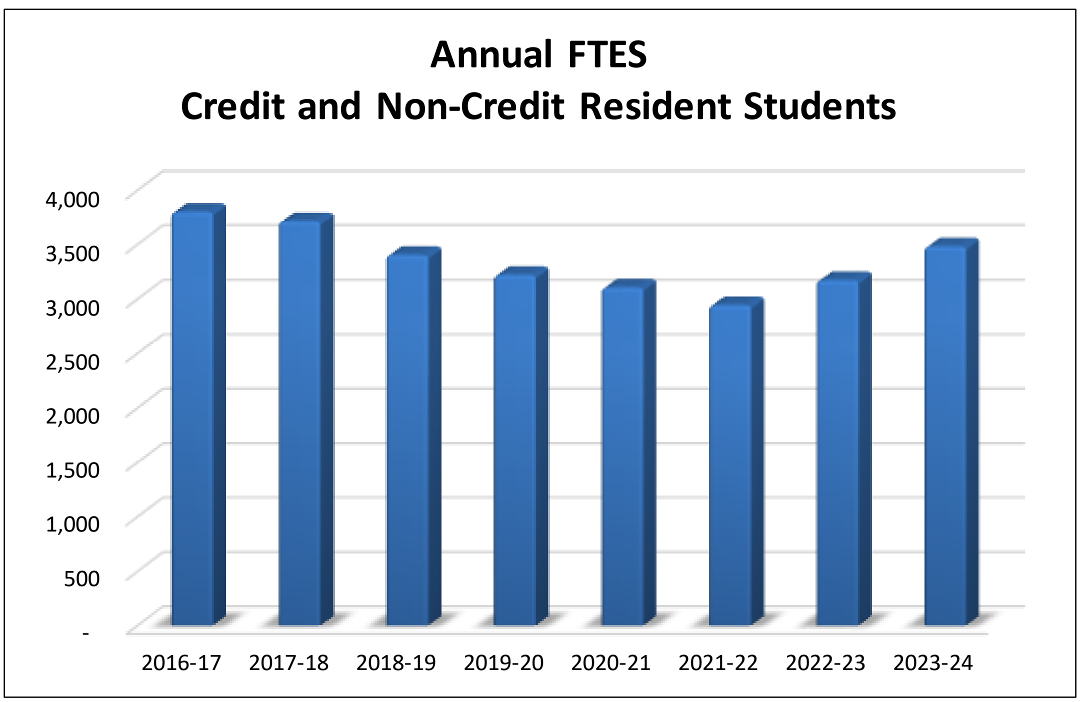
- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

Financial Highlights

- The District continues to maintain its "Basic Aid" (also known as community supported) status because the receipts from local property taxes and enrollment fees exceeded the State's funding formula known as apportionment for 2023-24 by about $41.4 million. The State of California changed the funding formula for community college districts during 2020-21 to a more student-centered formula that rewards on equity and success in addition to enrollment. The District does not anticipate the new funding formula will impact revenue since the District will continue to be basic aid (also known as community supported) where revenues are received from local property taxes and enrollment fees rather than the state.

- FTES totaled 3,483 representing a 9.7% increase over the prior fiscal year. The incline in enrollment over the last several years was attributable to an increase in student outreach.

  Creating strong future enrollment remains a strategic priority for the District. Outreach and marketing efforts are well underway in an attempt to stabilize the declining trend in enrollment. The District has been collaborating with K-12 and business partners to develop new career technical education programs in high-demand fields such as biotechnology, agri-tourism, and information and communication technology. The District's K-12 connections also include expansion of concurrent enrollment opportunities for high school students, including offering select courses at high school sites; the Summer Bridge program which is dramatically reducing the remedial needs of incoming students; and COMPASS (College of Marin Providing Access and Supporting Success).



Financial Highlights, continued

- Fiscal year 2023-24 fund-level net position ended higher than originally budgeted. Unrestricted revenues were about $1.9 million higher principally from higher than budgeted property taxes.

- Academic and classified salaries remained relatively flat during 2023-24 with slight increases due to factors such as COLA and annual increases in step/column. Benefits increased by 17.5% due primarily to the overall increase in the net pension liability during 2023-24.

- The Board directed funding the retiree healthcare obligation (other post-employment benefits or "OPEB") in advance rather than on the prior "pay as you go" basis. Between Fiscal Years 2005-06 and 2009-10, the District pre-funded the obligation transferring $2,000,000 out of the General Fund into the Retiree Unfunded Medical Benefits Liability Fund. In June 2013, the District established an irrevocable OPEB trust fund with CalPERS, formally named the California Employers' Retiree Benefit Trust (CERBT) fund and transferred the balance from the previous Retiree Unfunded Medical Benefits Liability Fund to the irrevocable OPEB Trust. The balance of the trust at June 30, 2024 was $2,546,945.

  The District's most recent actuarial report is dated March 21, 2024 with a valuation date of June 30, 2023 and measurement date of June 30, 2023. At June 30, 2024, the District's Total OPEB Liability was $0.6 million and the Fiduciary Net Position of the trust was $2.6 million, leaving a Net OPEB Liability/(Asset) of ($1.9) million.

- The District provided Financial Aid to more than 2,307 qualifying students in FY 2023-24 translating to about $9.1 million in paid aid. This aid is provided through grants, loans, institutional and outside scholarships, work study from the Federal government, the State, and local funding.

Capital Asset and Debt Administration

- On June 7, 2016, the voters of Marin County overwhelmingly passed Measure B, a $265 million bond. To provide modern, well-maintained educational facilities for our students, Measure B will:
  - Repair and upgrade classrooms, science labs, vocational education facilities and job training centers for 21st-centruy careers in technology, computer and engineering
  - Repair or replace leaking roofs
  - Modernize and update science classrooms and labs
  - Update classrooms and educational facilities to meet current earthquake, fire and safety codes
  - Update campus facilities to provide access for disabled students.

- The College retained the services of Gilbane Management & Consulting, Inc. as its Measure B program and construction management provider, and Ann Kennedy Group to provide financial reporting and bond compliance services.

- In December 2016, $60 million in tax exempt bonds were sold, netted against $280 thousand in issuance and underwriting costs, and $37.5 million in federally-taxable bonds were sold, netted against $287.5 thousand in issuance and underwriting costs. Issuances were sold pursuant to the terms of a public sale. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its Measure B, Series A Building Fund and Series A-1 Fund, respectively.

- In January 2019, $70 million in tax exempt bonds were issued, netted against $172 thousand in issuance and underwriting costs, and $97.5 million in federally-taxable bonds were issued, netted against $230 thousand in issuance and underwriting costs. Issuances were sold pursuant to the terms of a public sale. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its Measure B, Series B Building Fund and Series B-1 Fund, respectively.

- The District's 2020-21 Measure B Capital Improvement and Modernization Program included the beginning, continuation and/or completion of projects as follows:
  - ADA Barrier Removal Site Improvements
  - Pomo Cluster (Phase I & II)
  - Fine Arts Building: Audio Visual Upgrades
  - New Miwok Center
  - Jonas Center & Building 18
  - Maintenance & Operations Building and District Warehouse

Capital Asset and Debt Administration, continued

- The District's 2020-21 Measure B Capital Improvement and Modernization Program includes projects that have been initiated during this period and newly added projects:
  - Admin Cluster: Building 12 Interior Abatement and Renovation
  - 941 Sir Francis Drake: New Home of Reprographics
  - Swing Space: Temporary Offices and Classrooms
  - Swing Space: Modernization of Existing Maintenance & Operations Building for Campus Bookstore
  - Learning Resource Center Project
  - Fusselman Hall: Structural & Waterproofing Improvements
  - Welcome Center, 830 College Avenue
  - IVC Creek Mitigation Project
  - Bolinas Field Station
- In March 2018, the District issued $7.37 million of lease revenue bonds to finance solar energy facilities on the Kentfield and Indian Valley campuses.
- In February 2019, the District issued $3.98 million of Certificates of Participation to finance acquisition and construction of District facilities and workforce housing units.

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Net position – the difference between assets and liabilities – is one way to measure the financial health of the District.

	2024	2023	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	$ 60,577,138	$ 60,011,930	$ 565,208
Non-current assets	534,705,249	528,603,410	6,101,839
Deferred outflow of resources	46,432,570	47,546,162	(1,113,592)
Total Assets and Deferred Outflows of Resources	641,714,957	636,161,502	5,553,455
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	48,656,907	47,006,487	1,650,420
Non-current liabilities	500,660,421	518,899,416	(18,238,995)
Deferred inflows of resources	5,833,412	6,269,853	(436,441)
Total Liabilities and Deferred Inflows of Resources	555,150,740	572,175,756	(17,025,016)
NET POSITION			
Invested in capital assets, net of related debt	52,088,097	41,777,126	10,310,971
Restricted	50,245,795	40,515,025	9,730,770
Unrestricted	(15,769,675)	(18,306,405)	2,536,730
Total Net Position	$ 86,564,217	$ 63,985,746	$ 22,578,471

- The $0.6 million net increase in "Current Assets" is due primarily to an increase of $1.5 million in accounts receivable from state and local sources.

- The $6.1 million net increase in "Non-current Assets" is due to a decrease in restricted cash of $17.1 million and an increase in capital assets of $23.4 million that relates primarily to the construction of capital projects from the Measure B bonds.

- The $1.7 million increase in "Current Liabilities" is due to a decrease in accounts payable and accrued liabilities of $1.2million and an increase of $1.2 million in deferred revenues and $1.6million for long-term debt.

- The $18.2 million decrease in "Noncurrent Liabilities" is primarily attributable to payments made on the District's General Obligation Bonds of approximately $19.0 million.

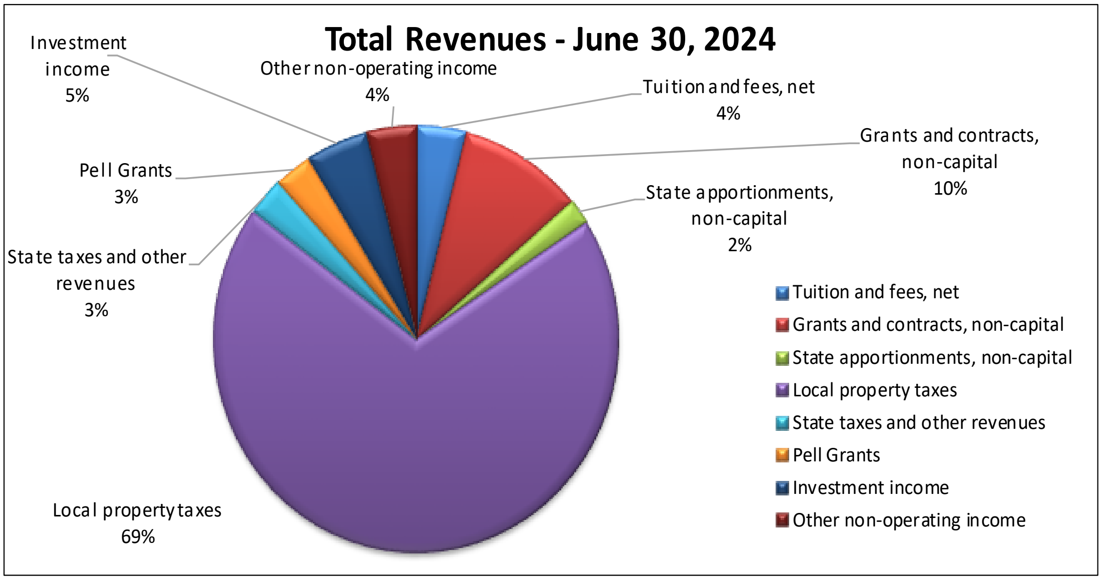
- Net Position includes the value of all capital assets (net of accumulated depreciation).

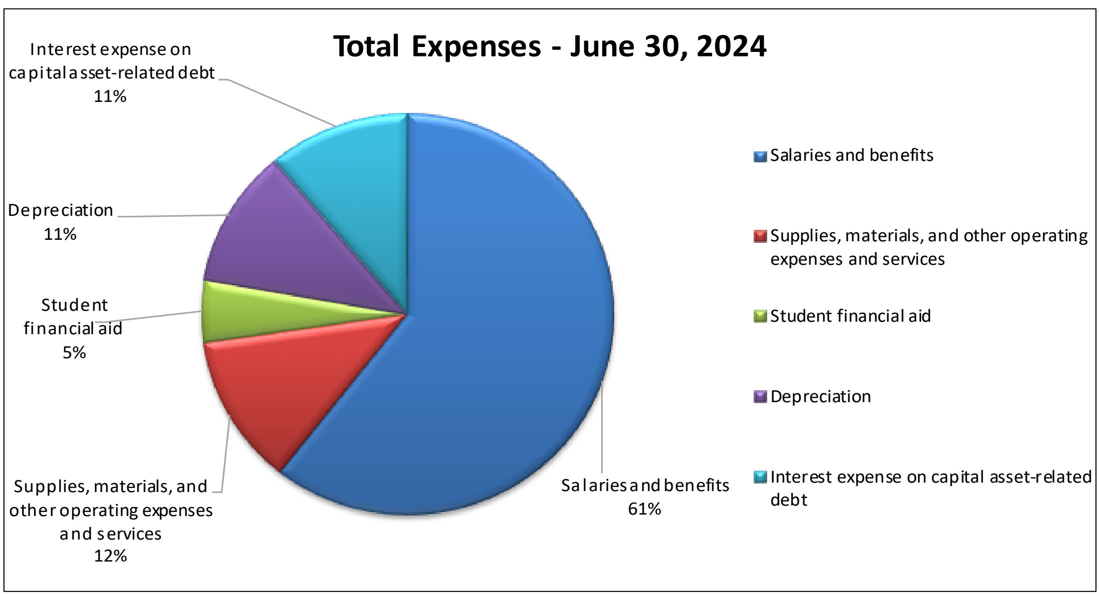
Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the District, as well as the non-operating revenues and expenses.

	2024	2023	Change
OPERATING REVENUES			
Tuition and fees, net	$ 4,938,887	$ 4,205,743	$ 733,144
Grants and contracts, non-capital	13,995,863	12,742,512	1,253,351
Total Operating Revenues	18,934,750	16,948,255	1,986,495
OPERATING EXPENSES			
Salaries and benefits	72,560,225	64,632,454	7,927,771
Supplies, materials, and other operating expenses and services	14,622,804	11,638,091	2,984,713
Student financial aid	5,849,472	5,844,162	5,310
Depreciation	13,749,168	13,146,662	602,506
Total Operating Expenses	106,781,669	95,261,369	11,520,300
Operating Loss	(87,846,919)	(78,313,114)	(9,533,805)
NON-OPERATING REVENUES/(EXPENSES)			
State apportionments, non-capital	2,347,517	1,916,358	431,159
Local property taxes	74,345,575	70,975,618	3,369,957
State taxes and other revenues	3,569,448	2,398,112	1,171,336
Pell Grants	3,605,285	3,267,390	337,895
Investment income/(loss), non-capital	2,069,118	1,090,594	978,524
Investment income/(loss), capital	5,494,521	1,768,842	3,725,679
Interest expense on capital asset-related debt	(13,316,771)	(13,464,589)	147,818
Other non-operating income	5,584,456	2,464,190	3,120,266
Total Non-Operating Revenues/(Expenses)	83,699,149	70,416,515	13,282,634
OTHER REVENUES/(EXPENSES)			
Local property taxes, restricted for bonded debt repayment	26,726,241	27,048,402	(322,161)
Change in Net Position	22,578,471	19,151,803	3,426,668
NET POSITION, BEGINNING OF YEAR	63,985,746	44,833,943	19,151,803
NET POSITION, END OF YEAR	$ 86,564,217	$ 63,985,746	$ 22,578,471

Statement of Revenues, Expenses, and Changes in Net Position, continued





Statement of Revenues, Expenses, and Changes in Net Position, continued

- As reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 16 of this report, the cost of all the District's operational activities this year was $106.8 million, an increase of approximately 12.1% compared to that of the prior year, primarily due to increases in salaries and benefits and supplies, materials, and other operating expenses.

- Expenses for 2023-24 included depreciation of the District's plant and equipment of approximately $13.7 million.

- About 68.0% of all operating expenses were directed to salary and benefit costs, compared to 67.8% last year. The "On-Behalf" expenditures were approximately $2.1 million during 2023-24.

- Non-operating revenues/(expenses) increased about $13.2 million primarily due to a $3.4 million increase local property taxes, a $1.2 million increase in state taxes and other revenues, a $3.7 million increase in investment income, and a $3.1 million increase in other non-operating income.

- The ad valorem taxes collected in the bond redemption funds was $0.3 million more than 2022-23. The ad valorem taxes fluctuate because they are collected based on the need to repay the bond principal and interest.

Statement of Cash Flows

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

Cash Provided by/(Used in)	2024	2023	Change
Operating activities	$ (75,650,091)	$ (60,589,673)	$ (15,060,418)
Non-capital financing activities	89,193,756	80,778,136	8,415,620
Capital financing activities	(32,855,277)	(13,883,936)	(18,971,341)
Investing activities	2,069,118	1,090,594	978,524
Net Increase/(Decrease) in Cash	$ (17,242,494)	$ 7,395,121	$ (24,637,615)

- Operating activities includes tuition and fees, grants, and operating payments. The increase in cash used by operating activities is primarily due to an increase in vendor payments and payments to employees.

A consistent significant cash in-flow is in non-capital financing activities which includes property taxes, State apportionments, and local revenues; property taxes being the largest contributor.

- Capital and related financing activities correlate to bond issuances and redemptions. The District's construction projects and capital debt are reported in capital and related financing activities.

- Cash flow is adequate for a small district; the District participates in Marin County Treasurer's Office investment pool to maximize interest earnings on excess cash.

Economic Factors and Budgetary Highlights

- The District expects to see a 3% increase in property taxes in 2024-25. The budgeted revenue increase is offset by escalating salaries and pension costs, and other operating expenses resulting in over a $254,000 decrease to the ending fund balance.

- Because the District continues to be basic-aid status (also known as community supported) where revenues are received from property taxes and enrollment fees, the state budget and changes in apportionment funding formulas have a relatively minimal impact on District funding. The District receives funding for categorical programs from the state but does not rely on state funding for general operations.

- In 2023-24, the District received almost $41.4 million more in revenue from property taxes than it would have under the State Student Centered Funding Formula (SCFF), and it is anticipated to receive $76.5M in property taxes or about $44.8 million more in 2024-25. A decline in Marin County property values would cause a reduction in District revenues but is not anticipated in 2024-25. To be cautious, revenue assumptions for budget projections in outer years are conservative.

- Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS. In 2024-25, CalSTRS normal cost rates are expected to remain at 19.10%. CalPERS normal cost rates are expected to increase to 27.05% in 2024-25 and continue to climb to 29.2% in the outer years. The impact of a growing net pension liability will continue to strain District resources and make the budgeting process more difficult in the years to come.

- In 2017-18, the District established a Pension Rate Stabilization Fund to prefund pension obligations. Contributions to the trust fund are determined by the Board of Trustees. As of June 30, 2024, contributions of $9.25 million were made to the trust fund. Future contributions will be determined by the availability of resources and will likely fluctuate. Contributed funds may be withdrawn from the trust fund as needed to assist with paying STRS and PERS pension liabilities.

- The District provides Other Post-Employment Benefits (OPEB) or retirement health care benefits to employees hired prior to 1988 and who retire from the District and meet the specific eligibility requirements. In previous years, the District has contributed funds into an irrevocable trust to fund these other post-employment benefits. As of the last actuarial measurement date of 6/30/24, the Net OPEB liability/(asset) was $1.9 million. The irrevocable trust is fully funded with a balance of $2.6M which will provide disbursements to the District for the "pay as you go" cost of medical benefits for retirees.

Economic Factors and Budgetary Highlights, continued

- In 2014 the District joined SISC (Self-Insured Schools of California) in an effort to control its health care costs. The District's medical premium has increased an average of just over 3.0% annually since joining SISC. However, with growing healthcare costs, largely exacerbated by the pandemic, the District has budgeted for an increase of 9% in FY24-25.

- In addition, the District has changed from a flat rate contribution to a "tiered contribution" for CSEA, SEIU, and unrepresented members. A tiered contribution is one where the employer contribution to each employee depends on how many people are covered on the plan the employee chooses. The District contribution differs for coverage for: 1) employee only; 2) employee plus one dependent; 3) employee plus two or more dependents. The District's contribution to the medical premiums will be capped at $1,600, $2,300, or $2,800, respectively. Currently, UPM members will remain with a flat rate contribution towards the monthly premiums with a District cap of $2,100 per month for full-time faculty, and $2,050 per month for all others who qualify for full coverage.

- General Fund reserves are budgeted at 27.9% of General Fund unrestricted expenditures in the 2024-25 year. The District anticipates maintaining a reserve of 12% or higher in compliance with the Board's administrative procedure on reserve fund management.

FINANCIAL SECTION

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

ASSETS		
Current Assets:		
Cash and investments	$	54,824,075
Accounts receivable, net		4,730,309
Prepaid expenses		1,022,754
Total Current Assets		60,577,138
Non-current Assets:		
Restricted cash and investments		135,904,376
Net OPEB asset		1,919,627
Intangible right of use assets, net		714,593
Capital assets, net		396,166,653
Total Non-current Assets		534,705,249
TOTAL ASSETS		595,282,387
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to bond refundings		26,847,494
Deferred outflows related to OPEB		282,504
Deferred outflows related to pensions		19,302,572
TOTAL DEFERRED OUTFLOWS OF RESOURCES		46,432,570
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	641,714,957
LIABILITIES		
Current Liabilities:		
Accounts payable	$	13,945,130
Unearned revenue		16,085,813
Claims liability		66,743
Long-term debt, current portion		18,559,221
Total Current Liabilities		48,656,907
Non-current Liabilities:		
Compensated absences		1,895,284
Net pension liability		63,481,350
Long-term debt, non-current portion		435,283,787
Total Non-current Liabilities		500,660,421
TOTAL LIABILITIES		549,317,328
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		5,833,412
TOTAL DEFERRED INFLOWS OF RESOURCES		5,833,412
NET POSITION		
Net investment in capital assets		52,088,097
Restricted for:		
Debt service		30,570,109
Capital projects		19,675,686
Unrestricted		(15,769,675)
TOTAL NET POSITION		86,564,217
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	641,714,957

See accompanying notes to financial statements.

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

OPERATING REVENUES	
Tuition and fees, gross	$ 6,302,607
Less: Scholarship discounts and allowances	(1,363,720)
Tuition and fees, net	4,938,887
Grants and contracts, non-capital	
Federal	1,299,825
State	12,696,038
TOTAL OPERATING REVENUES	18,934,750
OPERATING EXPENSES	
Salaries and benefits	72,560,225
Supplies, materials, and other operating expenses and services	14,622,804
Student financial aid	5,849,472
Depreciation	13,749,168
TOTAL OPERATING EXPENSES	106,781,669
OPERATING INCOME/(LOSS)	(87,846,919)
NON-OPERATING REVENUES/(EXPENSES)	
State apportionments, non-capital	2,347,517
Local property taxes	74,345,575
State taxes and other revenues	3,569,448
Pell Grants	3,605,285
Investment income, non-capital	2,069,118
Investment income, capital	5,494,521
Interest expense on capital asset-related debt	(13,316,771)
Other non-operating income	5,584,456
TOTAL NON-OPERATING REVENUES/(EXPENSES)	83,699,149
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(4,147,770)
Local property taxes, restricted for bonded debt repayment	26,726,241
CHANGE IN NET POSITION	22,578,471
NET POSITION, BEGINNING OF YEAR	63,985,746
NET POSITION, END OF YEAR	$ 86,564,217

MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 6,171,203
Grants and contracts	13,878,309
Payments to vendors	(14,962,385)
Payments to employees	(80,737,218)
Net Cash Provided by/(Used in) Operating Activities	(75,650,091)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	2,347,517
Pell grants	3,605,285
Local property taxes	74,345,575
State taxes and other apportionments	3,569,448
Other receipts	5,325,931
Net Cash Provided by/(Used in) Non-capital Financing Activities	89,193,756
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(37,166,932)
Local property taxes for capital purposes	26,726,241
Principal paid on capital debt	(16,374,697)
Interest received on capital debt	5,494,521
Interest paid on capital debt	(11,534,410)
Net Cash Provided by/(Used in) Capital Financing Activities	(32,855,277)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	2,069,118
Net Cash Provided by/(Used in) Investing Activities	2,069,118
NET INCREASE/(DECREASE) IN CASH AND INVESTMENTS	(17,242,494)
CASH AND INVESTMENTS, BEGINNING OF YEAR	207,970,945
CASH AND INVESTMENTS, END OF YEAR	$ 190,728,451

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Operating income/(loss)	$	(87,846,919)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used in) Operating Activities:		
Depreciation		13,749,168
Changes in Assets and Liabilities:		
Accounts receivables, net		(1,563,369)
Prepaid expenses		816,895
Net OPEB asset		(215,634)
Deferred outflows of resources		(1,284,756)
Accounts payable		(1,156,476)
Unearned revenue		1,499,218
Claims liability		-
Compensated absences		(94,887)
Net pension liability		883,110
Deferred inflows of resources		(436,441)
Total Adjustments		12,196,828
Net Cash Flows From Operating Activities	$	(75,650,091)

SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS		
Amortization of premiums on debt	$	2,398,348
Amortization of accreted interest	$	577,600

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

	OPEB Trust Fund
ASSETS	
Cash and cash equivalents	$ 2,546,946
Total Assets	$ 2,546,946
NET POSITION	
Restricted	$ 2,546,945
Total Net Position	$ 2,546,945

See accompanying notes to financial statements.

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

	OPEB Trust Fund
OPERATING REVENUES:	
Interest and investment income	$ 161,624
Total Operating Revenues	161,624
OPERATING EXPENSES:	
Other operating expenses	2,195
Total Operating Expenses	2,195
Net Change in Net Position	(11,895)
Net Position - Beginning of Year	2,558,840
Net Position - End of Year	$ 2,546,945

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Marin Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115 and is therefore exempt from federal taxes.

Basis of Presentation and Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective look at the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

Fiduciary funds for which the District acts only as an agent or trustee are not included in the business-type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

Cash and Investments: For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Marin County Treasury are considered cash equivalents.

Restricted Cash and Investments: Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets, is classified as non-current assets in the statement of net position.

Accounts Receivable: Accounts receivable consist of tuition and fee charges to students. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District maintains an allowance for doubtful accounts at an amount which management considers sufficient to fully reserve and provide for the possible uncollectibility of other receivable balances.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Intangible Right of Use Assets: The District has recorded intangible right of use assets as a result of implementing GASB No. 87 and 96. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or, if donated, at acquisition value at the date of donation. For equipment, the District's capitalization policy included all items with a unit cost of $5,000 or higher, and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 years for land improvements, and 5 years for most machinery and equipment.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employees' Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Accounts Payable: All payables, accrued liabilities, and long-term liabilities are reported in the District and fiduciary fund financial statements. In general, accounts payable and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unearned Revenue: Revenue from federal, state and local special projects and programs is recognized when qualified expenditures have been incurred. Other funds, including tuition and student fees, received but not earned are recorded as unearned revenue until earned.

Compensated Absences: Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year end as liabilities of the District.

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain California State Teachers Retirement System and California Public Employees' Retirement System, when the employee retires.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability/(asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District OPEB Plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan. For this purpose, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The Plan is included in the District's financial statements and separately presented as a fiduciary fund.

Net Position: The District's net position are classified as follows:

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

Restricted net position: Restricted expendable net position include resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

The District's scholarship and loan trust fund and private purpose trust fund includes resources held in trust from contributions from various organizations or groups. Amounts held are restricted based on agreements with the various organizations, groups or donors. The funds are restricted primarily for Emeritus, nursing, and EOPS scholarships, however there are also general and performing arts scholarships.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position, continued
Unrestricted net position: Unrestricted net position represent resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically first applies the expense toward restricted resources, then to unrestricted resources. This practice ensures fully utilizing restricted funding each fiscal year.

Risk Management: As more fully described in Note 9, the District is partially self-insured with regard to dental and vision claims and certain other risks. The amount of the outstanding liability at June 30, 2024 for dental and vision claims includes estimates of future claim payments for known cases as well as provisions for incurred but not reported claims and adverse development on known cases which occurred through that date. Outstanding claims which are expected to become due and payable within the subsequent fiscal year are reflected as a claims liability on the District's Statement of Net Position.

State Apportionments: Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to the recalculation will be recorded in the year completed by the State.

Classification of Revenues and Expenses: The District has classified its revenues as either operating or non-operating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. C05.101 including State appropriations, local property taxes, Pell grants and investment income. Nearly all the District's expenses a change transactions. Revenues and expenses are classified according to the following criteria:

Operating revenues and expenses: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital related debt.

Non-operating revenues and expenses – Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources described in GASB Cod. Sec. C05.101, such as State appropriations, Pell grants and investment income. Interest expense on capital related debt is the only non-operating expense.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: The following are the GASB pronouncement adopted by the District and the upcoming GASB pronouncement that may have impact future financial presentations.

Adoption of New Accounting Standards: The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The adoption of GASB Statement No. 100 did not have a material affect to the financial statements of the District.

Upcoming GASB Pronouncements: The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

GASB Statement No. 102 - In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2024, consisted of the following:

	District	Fiduciary
Pooled Funds:		
Cash in County Treasury	$ 176,041,862	$ -
Deposits:		
Cash on hand and in banks	3,447,614	-
Revolving cash	5,514	-
Cash held by fiscal agent	176,837	-
Investments	11,056,624	2,546,946
Total cash and investments	190,728,451	2,546,946
Less: Restricted cash and investments		
Cash in County Treasury	135,904,376	-
Net cash and investments	$ 54,824,075	$ 2,546,946

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Marin County Treasurer's Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value 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.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Marin County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2024.

Restricted Cash and Investments: Restricted cash of $135,904,376 represents amounts held in the District's name with third party custodians for future construction projects and repayment of long-term liabilities.

Restricted investments of $11,056,624 represents amounts held in the District's name with third party custodians in a multiple employer trust arrangement to fund the District's pension obligation.

Custodial Credit Risk: The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The fair value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions is entirely insured or collateralized.

NOTE 2 - CASH AND INVESTMENTS, continued

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the District's accounts was $3,730,536. At June 30, 2024, $539,391 of the bank balance was FDIC insured and $3,191,146 remained uninsured.

Credit Risk: Under provision of the District's policies and in accordance with Sections 53601 and 53602 of the California Government code, the District may invest in the following types of investments:

- Local agency bonds, notes or warrants within the state
- Securities of the U.S. Government or its agencies
- Certificates of Deposit with commercial banks
- Commercial paper
- Repurchase Agreements

Interest Rate Risk: The District's investment policies do not limit cash and investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. At June 30, 2024, the District had no significant interest rate risk related to cash and investments held.

Concentration of Credit Risk: The District does not place limits on the amount they may invest in any one issuer. At June 30, 2024, the District and Trust had no concentration of credit risk.

Fair Value Measurements: The following presents information about the District's assets and liabilities measured at fair value on a recurring basis as of June 30, 2024, and indicates the fair value hierarchy of the valuation techniques utilized by the District to determine such fair value based on the hierarchy:

Level 1 - Quoted market prices for identical instruments traded in active exchange markets.

Level 2 - Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

There were no changes in the valuation techniques used during the year ended June 30, 2024. There were no transfers of assets between the fair value levels for the year ended June 30, 2024.

The District is required or permitted to record the following assets at fair value on a recurring basis:

	June 30, 2023			
	Fair Value	Level 1	Level 2	Level 3
Investment securities;				
Mutual funds	$ 11,056,624	$ 11,056,624	$ -	$ -

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 are summarized as follows:

Federal	$ 103,819
State	1,350,750
Local and other	4,606,001
Subtotal	6,060,570
Less: Allowance for doubtful accounts	(1,330,261)
Total	$ 4,730,309

NOTE 4 – INTANGIBLE RIGHT OF USE ASSETS

The amount of lease assets by major class of underlying assets as of June 30, 2024, was as follows:

	July 1, 2023	Additions	Deductions	June 30, 2024
Intangible Right of Use Assets:				
Leased software	$ 1,717,005	$ 110,234	$ -	$ 1,827,239
Total Intangible Right of Use Assets	1,717,005	110,234	-	1,827,239
Less: Accumulated Amortization				
Leased software	532,081	580,565	-	1,112,646
Total Accumulated Amortization	532,081	580,565	-	1,112,646
Intangible Right of Use Assets, net	$ 1,184,924	$ (470,331)	$ -	$ 714,593

NOTE 5 - CAPITAL ASSETS

Capital asset activity consists of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital Assets Not Being Depreciated				
Land	$ 9,379,529	$ -	$ -	$ 9,379,529
Construction in progress	33,090,235	33,741,298	4,630,499	62,201,034
Total Capital Assets Not Being Depreciated	42,469,764	33,741,298	4,630,499	71,580,563
Capital Assets Being Depreciated				
Land improvements	52,019,383	1,514,597	-	53,533,980
Building improvements	364,202,879	3,325,209	-	367,528,088
Machinery and equipment	29,471,091	2,635,762	59,968	32,046,885
Total Capital Assets Being Depreciated	445,693,353	7,475,568	59,968	453,108,953
Total Capital Assets	488,163,117	41,216,866	4,690,467	524,689,516
Less: Accumulated Depreciation				
Land improvements	20,343,553	2,440,813	-	22,784,366
Building improvements	74,967,080	8,837,905	-	83,804,985
Machinery and equipment	20,103,595	1,889,885	59,968	21,933,512
Total Accumulated Depreciation	115,414,228	13,168,603	59,968	128,522,863
Net Capital Assets	$ 372,748,889	$ 28,048,263	$ 4,630,499	$ 396,166,653

NOTE 6 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned Federal and State revenues	$	12,864,885
Unearned tuition and student fees		1,436,235
Unearned local revenues		1,784,693
Total unearned revenue	$	16,085,813

NOTE 7 - LONG-TERM LIABILITIES

General Obligations Bond: During the year ended June 30, 2015, the District issued $32,055,000 of 2015 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2030. Proceeds were used to advance refund a portion of the outstanding 2004 Series A and B General Obligation Bonds and to pay the costs of issuing the 2015 Refunding Bonds. In fiscal year 2021-22, the District issued General Obligation Refunding bonds, that refunded a portion of the current bonds, leaving a new maturity of August 1, 2025. At June 30, 2024, the District has unamortized premiums of $304,412.

The annual payments required to amortize the 2015 General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 2,050,000	$ 162,250	$ 2,212,250
2026	2,220,000	55,500	2,275,500
	$ 4,270,000	$ 217,750	$ 4,487,750

NOTE 7 - LONG-TERM LIABILITIES, continued

General Obligations Bond, continued

In February 2016, the District issued $40,845,000 of 2016 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2038. In fiscal year 2021-22, the District issued General Obligation Refunding bonds, that refunded a portion of the current bonds, leaving a new maturity of August 1, 2025. At June 30, 2024, the District has unamortized premiums of $16,240.

The annual payments required to amortize the 2016 General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 175,000	$ 10,750	$ 185,750
2026	180,000	4,500	184,500
	$ 355,000	$ 15,250	$ 370,250

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

In November 2016, the District issued Election of 2016 General Obligation Bonds, Series A (Federally Tax-Exempt) aggregating $60,000,000. The bonds mature through August 2041 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, strict sites and facilities and pay the costs of issuing Series A Bonds. In fiscal year 2021-22, the District issued General Obligation Refunding bonds, that refunded a portion of the current bonds, leaving a new maturity of August 1, 2026. At June 30, 2024, the District has unamortized premiums of $70,822.

The annual payments required to amortize the Series A, 2016 General Obligation Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 300,000	$ 50,750	$ 350,750
2026	385,000	33,625	418,625
2027	480,000	12,000	492,000
	$ 1,165,000	$ 96,375	$ 1,261,375

NOTE 7 - LONG-TERM LIABILITIES, continued

General Obligations Bond, continued

In November 2016, the District issued Election of 2016 General Obligation Bonds, Series A-1 (Federally Taxable) aggregating $37,500,000. The bonds mature through August 2029 and bear interest at rates ranging from 1.296% to 3.472%. The proceeds from the issuance will be used to finance the acquisition, District sites and facilities and pay the costs of issuing Series A Bonds. At June 30, 2024, the District has unamortized premiums of $304,432.

The annual payments required to amortize the Series A-1, 2016 General Obligation Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 2,360,000	$ 505,941	$ 2,865,941
2026	2,520,000	432,889	2,952,889
2027	2,685,000	351,849	3,036,849
2028	2,860,000	262,476	3,122,476
2029	3,050,000	164,263	3,214,263
2030-2034	3,250,000	56,420	3,306,420
	$ 16,725,000	$ 1,773,838	$ 18,498,838

On November 16, 2017, the District issued $49,405,000 of 2017 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2034. Proceeds were used to advance refund a portion of the outstanding 2004 Series C General Obligation Bonds and to pay the costs of issuing the 2017 Refunding Bonds. In fiscal year 2021-22, the District issued General Obligation Refunding bonds, that refunded a portion of the current bonds, leaving a new maturity of August 1, 2028. At June 30, 2024, the District has unamortized premiums of $477,239.

The annual payments required to amortize the 2017 General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 885,000	$ 264,675	$ 1,149,675
2026	1,035,000	216,675	1,251,675
2027	1,205,000	160,675	1,365,675
2028	1,375,000	96,175	1,471,175
2029	1,545,000	30,900	1,575,900
	$ 6,045,000	$ 769,100	$ 6,814,100

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

NOTE 7 - LONG-TERM LIABILITIES, continued

General Obligations Bond, continued

During the year ended June 30, 2019, the District issued $70,000,000 of 2016 General Obligation Bonds, Series B (Federally Tax-Exempt). The current interest bonds bear interest at rates of 3.125% to 5.00%, maturing August 1, 2041. Proceeds from the issuance will be used to finance the acquisition, of District sites and facilities and pay the costs of issuing the debt. In fiscal year 2021-22, the District issued General Obligation Refunding bonds, that refunded a portion of the current bonds, leaving a new maturity of August 1, 2035. At June 30, 2024, the District has unamortized premiums of $132,173.

The annual payments required to amortize the Series B, 2016 General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ -	$ 186,813	$ 186,813
2026	-	186,813	186,813
2027	285,000	179,688	464,688
2028	395,000	162,688	557,688
2029	-	152,813	152,813
2030-2034	-	764,063	764,063
2035-2039	4,890,000	156,250	5,046,250
	$ 5,570,000	$ 1,789,128	$ 7,359,128

On January 19, 2019, the District issued $97,500,000 of 2016 General Obligation Bonds, Series B-1 (Federally Taxable). The current interest bonds bear interest at rates of 2.662% to 5.00%, maturing August 1, 2038. Proceeds from the issuance will be used to finance the acquisition, of District sites and facilities and pay the costs of issuing the debt. At June 30, 2024, the District has unamortized premiums of $1,131,004.

The annual payments required to amortize the Series B-1, 2016 General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 2,730,000	$ 3,413,721	$ 6,143,721
2026	2,690,000	3,304,907	5,994,907
2027	3,100,000	3,187,360	6,287,360
2028	3,385,000	3,080,702	6,465,702
2029	3,695,000	2,961,342	6,656,342
2030-2034	29,520,000	12,051,806	41,571,806
2035-2039	44,660,000	4,757,249	49,417,249
	$ 89,780,000	$ 32,757,087	$ 122,537,087

NOTE 7 - LONG-TERM LIABILITIES, continued

General Obligations Bond, continued

On August 24, 2021, the District issued $202,535,000 of 2021 Series B General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 0.18% to 2.699%, maturing August 1, 2041. Proceeds were used to advance refund a portion of outstanding General Obligation Bonds and to pay the costs of issuing the 2021 Series B Refunding Bonds.

The annual payments required to amortize the 2021 Series B General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 2,695,000	$ 4,221,401	$ 6,916,401
2026	2,705,000	4,204,654	6,909,654
2027	5,310,000	4,170,625	9,480,625
2028	3,265,000	4,127,767	7,392,767
2029	3,890,000	4,082,885	7,972,885
2030-2034	64,015,000	17,999,827	82,014,827
2035-2039	53,220,000	11,685,718	64,905,718
2040-2042	61,465,000	2,542,473	64,007,473
	$ 196,565,000	$ 53,035,350	$ 249,600,350

On February 4, 2021, the District issued $127,665,000 of 2021 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 0.12% to 1.97%, maturing August 1, 2036. Proceeds were used to advance refund all of the 2004 Series D General Obligation Bonds and a portion of the outstanding 2012, 2015 and 2016 General Obligation Refunding Bonds and to pay the costs of issuing the 2021 Refunding Bonds

The annual payments required to amortize the 2021 General Obligation Refunding Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 5,580,000	$ 1,722,983	$ 7,302,983
2026	5,780,000	1,701,066	7,481,066
2027	6,000,000	1,666,564	7,666,564
2028	9,010,000	1,604,298	10,614,298
2029	9,390,000	1,510,287	10,900,287
2030-2034	36,625,000	5,849,942	42,474,942
2035-2039	46,810,000	1,637,373	48,447,373
	$ 119,195,000	$ 15,692,513	$ 134,887,513

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. The amount defeased was $116,635,000.

NOTE 7 - LONG-TERM LIABILITIES, continued

Lease Revenue Bonds: In June 2003, the District issued $3,070,834 of Lease Revenue Bonds with effective interest rates ranging from 2.0% to 4.25% and maturing through May 2033. The bond proceeds are being used to fund various capital improvement projects throughout the District.

The annual payments required to amortize the 2003 Lease Revenue Bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 169,784	$ 336,820	$ 506,604
2026	166,411	355,520	521,931
2027	164,162	377,045	541,207
2028	161,914	399,178	561,092
2029	159,665	421,928	581,593
2030-2034	604,927	1,893,912	2,498,839
	$ 1,426,863	$ 3,784,403	$ 5,211,266

In March 2018, the District issued $7,370,000 of Lease Revenue Bonds with effective interest rates ranging from 2.0% to 5.0% and maturing through May 2037. The bond proceeds are being used to fund various capital improvement projects throughout the District.

The annual payments required to amortize the Lease Revenue Bonds outstanding as of June 30, 2024, are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 340,000	$ 205,606	$ 545,606
2026	360,000	188,606	548,606
2027	375,000	170,606	545,606
2028	395,000	151,856	546,856
2029	415,000	132,106	547,106
2030-2034	2,260,000	470,213	2,730,213
2035-2037	1,535,000	102,900	1,637,900
	$ 5,680,000	$ 1,421,893	$ 7,101,893

NOTE 7 - LONG-TERM LIABILITIES, continued

Certificates of Participation: In January 2019, the District issued $3,980,000 of Certificates of Participation (2019 Workforce Housing Project) with effective interest rates ranging from 3.00% to 5.00% and maturing through June 2039. The proceeds are being used to finance the construction of District facilities, including workforce housing, and pay the costs related to execution and delivery of the Certificates.

Year Ending June 30,	Principal	Interest	Total
2025	$ 175,000	$ 128,944	$ 303,944
2026	180,000	120,194	300,194
2027	190,000	111,194	301,194
2028	200,000	101,694	301,694
2029	210,000	91,694	301,694
2030-2034	1,175,000	337,570	1,512,570
2035-2039	1,370,000	142,263	1,512,263
	$ 3,500,000	$ 1,033,553	$ 4,533,553

Subscription leases: The District has entered into agreements to lease certain assets. The lease agreements qualify as other than short-term leases under GASB 96, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Annual Lease Payment
Software	10	2.36%	7/1/2019 - 4/18/2028	$ 601,944

Future minimum lease payments for software leases at June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 500,179	$ 11,016	$ 511,195
2026	158,023	3,478	161,501
2027	52,952	1,048	54,000
2028	18,603	147	18,750
Total	$ 729,757	$ 15,689	$ 745,446

NOTE 7 - LONG-TERM LIABILITIES, continued

Changes in Long-Term Debt: A schedule of changes in long-term debt for the year ended June 30, 2024 is as follows:

	July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
General obligation (GO) bonds	$ 455,385,000	$ -	$ 15,715,000	$ 439,670,000	$ 16,775,000
Lease revenue (LR) bonds	7,603,896	-	497,033	7,106,863	509,784
Bond premium - GO bonds	2,989,747	-	553,426	2,436,321	574,401
Bond premium - LR bonds	261,425	-	16,465	244,960	16,830
Certificates of participation	3,665,000	-	165,000	3,500,000	175,000
Certificates of participation - premium	162,816	-	7,709	155,107	8,027
Net pension liability	62,598,240	883,110	-	63,481,350	-
Compensated absences	1,990,171	-	94,887	1,895,284	-
Subscription leases	1,197,752	110,234	578,229	729,757	500,179
Total	$ 535,854,047	$ 993,344	$ 17,627,749	$ 519,219,642	$ 18,559,221

NOTE 8 - PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessor of the County of Marin and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively, property taxes is March 1 of the preceding fiscal year.

NOTE 9 – RISK MANAGEMENT

The District administers dental and vision insurance programs on behalf of the District's eligible employees on a cost-reimbursement basis. The District records an estimated liability for dental and vision claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience. A formal actuarial study has not been performed, however, the District calculated the estimated amount based on historical experience.

The dental and vision claims reserve activity for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Liability balance, beginning of year	$ 66,743	$ 70,538
Claims and changes in estimates	676,805	631,804
Claims payments	(668,899)	(635,599)
Liability balance, end of year	$ 74,649	$ 66,743

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the year ended June 30, 2024, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 27,815,737	$ 7,421,815	$ 2,390,761	$ 3,737,008
CalPERS	35,665,613	11,880,757	3,442,651	4,876,381
Total	$ 63,481,350	$ 19,302,572	$ 5,833,412	$ 8,613,389

California State Teachers' Retirement System (CalSTRS)

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers’ Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers’ Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com.

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus disclosures are not included for the other plans.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided, continued

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

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

Contributions: Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the District's total contributions were $4,283,530.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 27,815,737
State's proportionate share of the net pension liability associated with the District	13,327,543
Total	$ 41,143,280

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.037 percent and 0.036 percent, respectively, resulting in a net increase in the proportionate share of 0.001 percent.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

For the year ended June 30, 2024, the District recognized pension expense of $3,737,008. In addition, the District recognized pension expense and revenue of ($193,541) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 117,675	$ -
Differences between expected and actual experience	2,186,016	1,487,918
Changes in assumptions	161,064	-
Net changes in proportionate share of net pension liability	673,530	902,843
District contributions subsequent to the measurement date	4,283,530	-
Total	$ 7,421,815	$ 2,390,761

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (1,171,198)
2026	(1,354,198)
2027	2,289,231
2028	342,305
2029	277,048
Thereafter	364,336
	$ 747,524

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions: Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultant (Pension Consulting Alliance - PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary's (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of a 20-year geometric real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2024. As summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	100%	

*20-year average. Real rates of return of net of assumed 2.75% inflation.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	$ 46,658,679	$ 27,815,737	$ 12,164,477

California Public Employees' Retirement System (CalPERS)

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These report(s) and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

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

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Benefits Provided, continued

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the total District contributions were $5,126,520.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $35,665,613. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.099 percent and 0.109 percent, respectively, resulting in a net decrease in the proportionate share of 0.010 percent.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

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

For the year ended June 30, 2024, the District recognized pension expense of $4,876,381. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 3,809,597	$ -
Differences between expected and actual experience	1,301,539	547,771
Changes in assumptions	1,643,101	-
Net changes in proportionate share of net pension liability	-	2,894,880
District contributions subsequent to the measurement date	5,126,520	-
Total	$ 11,880,757	$ 3,442,651

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 923,226
2026	615,674
2027	2,233,004
2028	(460,318)
	$ 3,311,586

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions: Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.54%
Global Equity - non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.
**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 51,563,257	$ 35,665,613	$ 22,526,571

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

For the year ended June 30, 2024, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	$ (1,919,627)	$ 282,504	$ -	$ (257,060)

Plan Description: In addition to the pension benefits described in Note 10, the District provides post-retirement health care benefits to employees hired prior to 1988 and who retire from the District and meet the specific eligibility requirements set forth in their prospective employment contracts under a single employer defined benefit OPEB plan. The plan does not issue separate financial statements. The District pays medical and dental insurance premiums to maintain the level of coverage enjoyed by the retiree immediately preceding retirement up until the age of 70 or death of the retiree.

The District established an irrevocable trust under the California Employer's Retiree Benefit Trust Program (CERBT) to prefund the costs of other postemployment benefits. The funds in the CERBT are held in trust and will be administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Education. The District's contributions to the irrevocable trust is included in the CERBT, which is included in the CalPERS ACFR. Copies of the CalPERS' ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District's OPEB plan.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS, continued

Employees Covered by Benefit Terms: The following is a table of plan participants as of the June 30, 2023 measurement date:

	Number of Participants
Inactive Employees Receiving Benefits	13
Active Employees	3
	16

Benefits Provided: The following is a description of the current retiree benefit plan:

	Faculty	Classified	Management
Benefit types provided	Medical and dental	Medical and dental	Medical and dental
Duration of Benefits	To age 70	To age 70	To age 70
Required Service	15 years	10 years	10 years
Minimum Age	55	50	50/55*
Dependent Coverage	Yes	Yes**	Yes
District Contribution %	100%	100%	100%
District Cap	Active rates	Active rates	Active rates

*Depending on retirement system
**SEIU employees are not eligible for District-paid dependent benefits

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board.

The District did not make any contributions to the Plan for the year ended June 30, 2024.

Actuarial Assumptions: The net OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost methods	Entry-age actuarial cost method
Inflation rate	2.50%
Investment rate of return	5.75%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For classified employees the 2021 CalPERS active mortality for miscellaneous and school employees were used.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS, continued

Discount Rate: The actuary assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. Historical 30 year real rates of return for each asset class along with assumed long-term inflation assumption was used to set the discount rate. A discount rate of 5.75 percent was determined using the following asset allocation and assumed rate of return:

CERBT - Strategy 2

Asset Class	Percentage of Portfolio	Rate of Return
All Equities	23%	7.55%
All Fixed Income	51%	4.25%
Real Estate Investment Trusts	14%	7.25%
All Commodities	3%	7.55%
Treasury Inflation Protected Securities (TIPS)	9%	3.00%

The actuary looked at rolling periods of time for all asset classes in combination to reflect the correlation between asset classes. The average returns for any asset class don't necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. Geometric means were used.

Changes in the Net OPEB Liability/(Asset):

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2023	$ 815,087	$ 2,519,080	$ (1,703,993)
Changes for the year:			
Service cost	4,124	-	4,124
Interest on TOL	42,112	-	42,112
Employer contributions	-	169,538	(169,538)
Assumption changes	(25,409)	-	(25,409)
Expected investment income	-	144,827	(144,827)
Experience gains/(losses)	(27,923)	-	(27,923)
Investment gains/(losses)	-	(105,112)	105,112
Administrative expense	-	(715)	715
Benefit payments	(169,538)	(169,538)	-
Net change	(176,634)	39,000	(215,634)
Balance June 30, 2024	$ 638,453	$ 2,558,080	$ (1,919,627)

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS, continued

Sensitivity of the Net Pension OPEB to Assumptions: The following presents the net OPEB liability/(asset) calculated using the discount rate of 5.75 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percent lower (4.75 percent) and 1 percent higher (6.75):

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
Net OPEB liability/(asset)	$ (1,908,802)	$ (1,919,627)	$ (1,930,687)

The following table presents the net OPEB liability/(asset) calculated using the heath care cost trend rate of 4.0 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	1% Decrease (3.0%)	Health Care Cost Trend Rate (4.0%)	1% Increase (5.0%)
Net OPEB liability/(asset)	$ (1,934,087)	$ (1,919,627)	$ (1,904,683)

OPEB Expense/(Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2024, the District recognized OPEB benefit of $257,060. At June 30, 2024, the District reported deferred outflows of resources related to differences between projected and actual earnings on plan investments of $282,504. The District did not report any deferred inflows of resources as of June 30, 2024.

Amounts reported as deferred outflows of resources related to the net difference between projected and actual earnings of OPEB plan investments will be amortized and recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 69,712
2026	73,419
2027	118,353
2028	21,020
	$ 282,504

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Contingent Liabilities: There are various claims and legal actions pending against the District for which no provision has been made in the general purpose financial statements. In the opinion of the District, any liabilities arising from these claims and legal actions are not considered significant.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect.

Construction Commitments: As of June 30, 2024, the District has $58.5 million in outstanding commitments on construction contracts.

NOTE 13 - JOINT POWERS AGREEMENTS

Marin Community College District participates in Joint Power Agreements (JPAs), with Northern California Community College Self Insurance Authority (NCCCSIA), Schools Association for Excess Risk (SAFER), the Protected Insurance Program for Schools (PIPS) and Statewide Association of Community Colleges (SWACC). The relationship between Marin Community College District and the JPAs is such that the JPAs are not component units of Marin Community College District for financial reporting purposes.

The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. NCCCSIA, SAFER and SWACC provide property and liability insurance for its members. PIPS provides workers' compensation insurance for its members. Marin Community College District pays a premium commensurate with the level of coverage requested. Settled claims resulting from these risks have not exceeded insurance coverage on any of the past three years.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Condensed financial information of the JPAs for the most current year for which audited information is available, is as follows:

	NCCCSIA June 30, 2023	SAFER June 30, 2023	PIPS June 30, 2023	SWACC June 30, 2023
Total assets and deferred outflows of resources	$ 4,659,097	$ 35,643,366	$ 278,172,117	$ 53,832,864
Total liabilities and deferred inflows of resources	$ 1,784,428	$ 34,378,599	$ 192,767,542	$ 38,735,435
Net position	$ 2,874,669	$ 1,264,767	$ 85,404,575	$ 15,097,429
Total revenues	$ 10,353,602	$ 135,988,000	$ 370,859,499	$ 36,482,648
Total expenses	$ 10,642,551	$ 133,995,392	$ 360,816,328	$ 37,416,841
Change in net position	$ (288,949)	$ 1,992,608	$ 10,043,171	$ (934,193)

REQUIRED SUPPLEMENTARY INFORMATION

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021
Total OPEB liability				
Service cost	$ 4,124	$ 4,014	$ 12,009	$ 11,688
Interest	42,112	50,033	99,923	107,156
Assumption changes	(25,409)	-	1,239	-
Experience gains/(losses)	(27,923)	-	(523,363)	(9,478)
Benefit payments	(169,538)	(214,189)	(273,954)	(469,624)
Net change in total OPEB liability	(176,634)	(160,142)	(684,146)	(360,258)
Total OPEB liability, beginning of year	815,087	975,229	1,659,375	2,019,633
Total OPEB liability, end of year (a)	$ 638,453	$ 815,087	$ 975,229	$ 1,659,375
Plan fiduciary net position				
Employer contributions	$ 169,538	$ 47,918	$ -	$ 101,510
Expected investment income	144,827	168,824	166,871	-
Investment gains/(losses)	(105,112)	(486,650)	224,678	193,146
Administrative expense	(715)	(767)	(1,023)	(1,523)
Expected benefit payments	(169,538)	(245,495)	(273,954)	(469,624)
Change in plan fiduciary net position	39,000	(516,170)	116,572	(176,491)
Fiduciary trust net position, beginning of year	2,519,080	3,035,250	2,918,678	3,095,169
Fiduciary trust net position, end of year (b)	$ 2,558,080	$ 2,519,080	$ 3,035,250	$ 2,918,678
Net OPEB liability/(asset), ending (a) - (b)	$ (1,919,627)	$ (1,703,993)	$ (2,060,021)	$ (1,259,303)
Covered payroll	$ 257,774	$ 290,931	$ 423,083	$ 421,997
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	401%	309%	311%	176%
Net OPEB asset as a percentage of covered payroll	-745%	-586%	-487%	-298%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED JUNE 30, 2024

	2020	2019	2018
Total OPEB liability			
Service cost	$ 12,654	$ -	$ -
Interest	90,874	112,809	143,562
Assumption changes	259,253	(24,276)	-
Experience gains/(losses)	376,512	-	-
Investment gains/(losses)	-	(34,022)	-
Benefit payments	(455,801)	(431,055)	(479,042)
Net change in total OPEB liability	283,492	(376,544)	(335,480)
Total OPEB liability, beginning of year	1,736,141	2,112,685	2,448,165
Total OPEB liability, end of year (a)	$ 2,019,633	$ 1,736,141	$ 2,112,685
Plan fiduciary net position			
Employer contributions	$ 33,842	$ -	$ -
Expected investment income	184,330	195,841	271,379
Investment gains/(losses)	30,134	22,503	-
Administrative expense	(696)	(6,427)	(3,198)
Expected benefit payments	(416,064)	(431,055)	(479,042)
Change in plan fiduciary net position	(168,454)	(219,138)	(210,861)
Fiduciary trust net position, beginning of year	3,263,623	3,482,761	3,693,622
Fiduciary trust net position, end of year (b)	$ 3,095,169	$ 3,263,623	$ 3,482,761
Net OPEB liability/(asset), ending (a) - (b)	$ (1,075,536)	$ (1,527,482)	$ (1,370,076)
Covered payroll	$ 783,679	$ 869,945	$ 1,315,977
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	153%	188%	165%
Net OPEB asset as a percentage of covered payroll	-137%	-176%	-104%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
	2024	2023	2022	2021	2020
CalSTRS	(2023)	(2022)	(2021)	(2020)	(2019)
District's proportion of the net pension liability	0.037%	0.036%	0.037%	0.036%	0.038%
District's proportionate share of the net pension liability	$ 27,815,737	$ 24,990,446	$ 16,763,600	$ 34,645,279	$ 34,013,818
State's proportionate share of the net pension liability associated with the District	13,327,543	12,515,288	8,434,968	17,859,501	18,556,959
Total	$ 41,143,280	$ 37,505,734	$ 25,198,568	$ 52,504,780	$ 52,570,777
District's covered-employee payroll	$ 26,156,306	$ 21,808,345	$ 19,864,426	$ 20,158,193	$ 21,267,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	106%	115%	84%	172%	160%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%

	Reporting Fiscal Year (Measurement Date)				
	2024	2023	2022	2021	2020
CalPERS	(2023)	(2022)	(2021)	(2020)	(2019)
District's proportion of the net pension liability	0.099%	0.109%	0.112%	0.114%	0.116%
District's proportionate share of the net pension liability	$ 35,665,613	$ 37,607,794	$ 22,760,750	$ 35,036,971	$ 33,759,995
District's covered-employee payroll	$ 19,651,746	$ 17,386,774	$ 16,804,435	$ 17,708,412	$ 16,470,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	181%	216%	135%	198%	205%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2024

CalSTRS	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
	Reporting Fiscal Year (Measurement Date)				
District's proportion of the net pension liability	0.036%	0.036%	0.041%	0.039%	0.036%
District's proportionate share of the net pension liability	$ 33,431,000	$ 33,024,000	$ 33,449,000	$ 26,052,000	$ 20,662,000
State's proportionate share of the net pension liability associated with the District	19,141,000	19,537,000	19,044,000	13,779,000	12,477,000
Total	$ 52,572,000	$ 52,561,000	$ 52,493,000	$ 39,831,000	$ 33,139,000
District's covered-employee payroll	$ 19,363,000	$ 19,784,000	$ 20,611,000	$ 17,961,111	$ 15,748,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	173%	167%	162%	145%	131%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

CalPERS	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
	Reporting Fiscal Year (Measurement Date)				
District's proportion of the net pension liability	0.110%	0.105%	0.108%	0.121%	0.133%
District's proportionate share of the net pension liability	$ 31,479,000	$ 26,284,000	$ 23,362,000	$ 19,671,000	$ 15,387,250
District's covered-employee payroll	$ 14,986,000	$ 13,723,000	$ 14,443,000	$ 14,898,000	$ 15,342,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	210%	192%	162%	132%	100%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

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

	Reporting Fiscal Year				
CalSTRS	2024	2023	2022	2021	2020
Statutorily required contribution	$ 4,283,530	$ 4,425,647	$ 3,689,972	$ 3,218,037	$ 3,447,051
District's contributions in relation to the statutorily required contribution	4,283,530	4,425,647	3,689,972	3,218,037	3,447,051
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 22,426,859	$ 26,156,306	$ 21,808,345	$ 19,864,426	$ 20,158,193
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.92%	16.20%	17.10%

	Reporting Fiscal Year				
CalPERS	2024	2023	2022	2021	2020
Statutorily required contribution	$ 5,126,520	$ 4,502,215	$ 3,983,310	$ 3,478,518	$ 3,492,276
District's contributions in relation to the statutorily required contribution	5,126,520	4,502,215	3,983,310	3,478,518	3,492,276
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 19,214,843	$ 19,651,746	$ 17,386,774	$ 16,804,435	$ 17,708,412
District's contributions as a percentage of covered-employee payroll	26.68%	22.91%	22.91%	20.70%	19.72%

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

	Reporting Fiscal Year				
CalSTRS	2019	2018	2017	2016	2015
Statutorily required contribution	$ 3,462,266	$ 2,940,921	$ 2,488,796	$ 2,211,544	$ 1,594,920
District's contributions in relation to the statutorily required contribution	3,462,266	2,940,921	2,488,796	2,211,544	1,594,920
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 21,267,000	$ 19,363,000	$ 19,784,000	$ 20,611,000	$ 17,961,000
District's contributions as a percentage of covered-employee payroll	16.28%	15.19%	12.58%	10.73%	8.88%

	Reporting Fiscal Year				
CalPERS	2019	2018	2017	2016	2015
Statutorily required contribution	$ 3,063,500	$ 2,351,656	$ 1,905,803	$ 1,711,105	$ 1,753,636
District's contributions in relation to the statutorily required contribution	3,063,500	2,351,656	1,905,803	1,711,105	1,753,636
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 16,470,000	$ 14,986,000	$ 13,923,000	$ 14,443,000	$ 14,898,000
District's contributions as a percentage of covered-employee payroll	18.60%	15.69%	13.69%	11.85%	11.77%

NOTE 1 - PURPOSE OF SCHEDULE

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

The Schedule of Changes in the Net OPEB Liability/(Asset) is presented to illustrate the elements of the District's Net OPEB liability/(asset). There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of Contributions – OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution.

Schedule of the Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability.

Schedule of Contributions – Pensions

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions.

Changes of Benefit Terms

The required employer contribution rate for CalPERS changed from 25.37 percent to 26.68 percent since the previous valuation. There were no changes in the benefit terms since the previous valuation for CalSTRS and OPEB.

Changes of Assumptions

The consumer price inflation rate changed from 2.50 percent to 2.30 percent since the previous valuation for CalPERS. There were no changes in assumptions since the previous valuations for CalSTRS and OPEB.

SUPPLEMENTARY INFORMATION

Marin Community College District was established in 1926, and is comprised of two campuses, Kentfield and Indian Valley. There were no changes in the boundaries of the District during the current year.

The Governing Board and District Administration for the fiscal year ended June 30, 2024 were composed of the following members:

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Suzanne Brown Crow	President	2026
Philip Kranenburg	Vice President	2024
Paul da Silva, Ph.D.	Clerk	2024
Diana Conti	Trustee	2026
Stephanie O'Brien	Trustee	2024
Crystal Martinez	Trustee	2024
Wanden P. Treanor	Trustee	2026
Emelia Nacos	Student Trustee	mid-2025

DISTRICT ADMINISTRATION

Jonthan Eldridge, Ed.D.
Superintendent/President

Eresa Puch
Assistant Vice President of Administrative Services

Dana Emerson
Assistant Superintendent/Vice President of Student Learning and Success

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
College of Marin Foundation	Keith Rosenthal, Director of Advancement	Organized as an auxiliary organization in 2018 and has a signed master agreement dated 9/12/18.

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION		
Direct Programs:		
Student Financial Aid Programs:		
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	84.007	$ 165,580
Federal Direct Loans	84.268	445,961
Federal Work Study (FWS)	84.033	252,047
Federal Pell Grants (PELL)	84.063	3,605,285
PELL Admin Allowance	84.063	5,030
Subtotal Financial Aid Programs		4,473,903
Open Text Book Pilot Program	84.116T	195,445
Passed through the California Department of Education:		
Early Childhood Mentor Program	84.405A	4,390
Passed through the California Community Colleges Chancellor's Office:		
Vocation and Applied Technology Education - Act Program:		
Vocational and Applied Technology Educational Act Title I, Part IC	84.048A	110,264
Subtotal Perkins Program		110,264
Total U.S. Department of Education		4,784,002
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through the California Community Colleges Chancellor's Office:		
Temporary Assistance for Needy Families (TANF)	93.558	40,198
Passed through the California Department of Education:		
Child Development Training Consortium - CCDF Cluster	93.575	9,200
Total U.S. Department of Health and Human Services		49,398
U.S. DEPARTMENT OF TREASURY		
Direct Programs:		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	218,441
Total Federal Programs		$ 5,051,841

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues				
	Cash Received	Accounts Receivable (Payable)	Deferred Income	Total	Total Program Expenditures
AEBG - Adult Ed Block Grant	$ 326,644	$ -	$ 40,028	$ 286,616	$ 286,616
Adult Ed Program AEP	44,246	-	-	44,246	44,246
Adult Ed - ELL Healthcare Pathway	279,608	-	83,349	196,259	196,259
Board Financial Assist.Prog.Administration	22,808	-	-	22,808	22,808
Student Financial Aid Administration (SFAA)	175,826	-	-	175,826	175,826
CA College Promise	935,995	-	669,011	266,984	266,984
Calworks	237,062	-	52,034	185,028	185,028
Cooperative Agencies Resources for Ed.	202,657	-	1,016	201,641	201,641
APDP Round 2	-	14,965	-	14,965	14,965
HCAI Caring4CalProgram	328,466	175,128	-	503,594	503,594
Student Accessabilty Services	925,551	-	-	925,551	925,551
Extended Opportunity Programs & Svcs	954,104	-	75,067	879,037	879,037
Next Up	556,233	-	175,406	380,827	380,827
Rising Scholars	229,500	-	-	229,500	229,500
Juvenile Justice Grant	-	607,954	484,817	123,137	123,137
Faculty/Staff Development	123	-	123	-	-
Faculty/Staff Diversity	520,409	-	461,317	59,092	59,092
Financial Aid Technology	168,073	-	60,800	107,273	107,273
SSSP - Credit -- Student Equity and Achievement	2,032,265	-	287,250	1,745,015	1,745,015
Peace Officers Training	2,225	-	1,237	988	988
Strong Workforce (Local) FY 21/22 22/23	538,903	-	-	538,903	538,903
Strong Workforce Porgram	594,181	-	594,181	-	-
Hazardous Substance	4,800	-	4,800	-	-
Strong Workforce (Regional) - FY21/22	104,000	-	-	104,000	104,000
Strong Workforce (Regional) - FY22/23	78,000	108,258	-	186,258	186,258
Prop.20, Lottery-Instructional Supplies	2,107,900	140,458	1,870,968	377,390	377,390
Nursing Enrollment Growth	182,400	-	29,128	153,272	153,272
Schedl. Maint &Repair Ongoing 0809, 13/14	27,900	-	27,900	-	-
Schedl. Maint &Repair Ongoing	98,087	-	98,087	-	-
Physical Plant & Inst'l Support 14/15,15/16	1,419,310	-	232,436	1,186,874	1,186,874
Transfer & Articulation	48,695	-	33,083	15,612	15,612
Student Tfr Ach Reform Act AB 928	565,217	-	565,217	-	-
Veterans Resource Center	139,051	-	138,071	980	980
Lrning-Alignd Emplymnt Prgrm (LAEP)	527,529	-	507,709	19,820	19,820
COVID-19 Recovery Block Grant	2,093,789	-	1,989,383	104,406	104,406
Systemwide Technlgy & Data Security	712,960	-	612,382	100,578	100,578
MESA	689,484	28,000	377,377	340,107	340,107
Rgnl Equity & Rcvry Prtnrshps-RERP	30,443	5,074	23,318	12,199	12,199
Culturally Responsive P&P (CRPP)	299,500	-	201,334	98,166	98,166
Equitable Placement & Completion	366,133	-	290,985	75,148	75,148
College Rapid Rehousing	793,642	-	746,642	47,000	47,000
FA account	18,578	-	18,578	-	-
Cal Fresh Outreach	27,920	-	27,920	-	-
CA Plnng&Rsrch STEM Thinkers&Learni	112,317	-	13,121	99,196	99,196
STEM Scale Up	105,296	169,315	-	274,611	274,611
Mental Health Support	249,950	-	-	249,950	249,950
Guided Pathways	90,095	-	13,868	76,227	76,227
Basic Needs Center	1,176,285	-	1,004,009	172,276	172,276
OTF - Other State Grant, Classified Professional Development	32,697	-	32,697	-	-
OTF- Other State Grant, Institutional Effectiveness & Leadership Grant	4,848	-	4,848	-	-
Retention & Enrollmt Outreach	628,207	-	401,058	227,149	227,149
OTF - Certified Nurse Assistant (CNA)	842	-	-	842	842
OTF-Sched. Maint FY' 07&0 8	24,884	-	24,884	-	-
Undocumented Resource Liaisons	126,441	-	49,768	76,673	76,673
North Bay Trades Internship Program (CAI 21-22)	84,947	101,598	186,545	-	-
Hunger Free Campus	16,675	-	16,675	-	-
Unrestricted General Fund	276,890	-	-	276,890	276,890
Full Time Faculty Hiring	492,194	-	-	492,194	492,194
Part-time Faculty Compensation	121,502	-	-	121,502	121,502
P.T. Faculty Off. Hours	162,943	-	-	162,943	162,943
P.T. Faculty Insurance (Health Benefits)	950,469	-	-	950,469	950,469
Prior year augmentation	1,952,442	-	-	1,952,442	1,952,442
OTF - Child Development Bailout Funds	105,717	-	-	105,717	105,717
Child Development Contract Funds (State Preschool) - CSPP9286	358,740	-	-	358,740	358,740
	$ 26,484,598	$ 1,350,750	$ 12,528,427	$ 15,306,921	$ 15,306,921

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT
FOR THE YEAR ENDED JUNE 30, 2024

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	-	-	-
2. Credit	-	-	-
B. Summer Intersession (Summer 2024 - Prior to July 2, 2024)			
1. Noncredit	29.08	-	29.08
2. Credit	235.41	-	235.41
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	1,842.28	-	1,842.28
(b) Daily Census Contact Hours	129.61	-	129.61
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	359.25	-	359.25
(b) Credit	143.42	-	143.42
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	670.40	-	670.40
(b) Daily Census Contact Hours	73.58	-	73.58
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	3,483.03	-	3,483.03
E. Basic Skills Courses and Immigrant Education			
1. Credit	20.36	-	20.36
2. Noncredit	169.37	-	169.37
Total Basic Skills FTES	189.73	-	189.73
<u>CCFS 320 Addendum</u>			
CDCP Noncredit FTES	325.19	-	325.19

See accompanying note to supplementary information.

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

Total Fund Equity - District Funds Included in the Reporting Entity		
General Fund	$ 25,052,470	
Bond Interest and Redemption Fund	25,099,505	
Revenue Bond Interest and Redemption Fund	5,244,540	
Other Debt Service Fund	226,064	
Other Special Revenue Fund	755,839	
Capital Outlay Fund	19,675,686	
Revenue Bond Construction Fund	82,202,365	
Self-Insurance Fund	920,453	
Student Activity Funds	697,654	
PARS Trust Fund	11,056,624	$ 170,931,200
Assets recorded within the statement of net position not included in the fund financial statements:		
Capital assets	$ 524,689,516	
Accumulated depreciation	(128,522,863)	
Right-to-use leased assets	1,827,239	
Accumulated amortization	(1,112,646)	396,881,246
Net OPEB Asset		1,919,627
Unmatured Interest		(4,547,372)
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred outflows related to bond refundings		26,847,494
Deferred outflows related to OPEB		282,504
Deferred outflows related to pensions		19,302,572
Liabilities recorded within the statement of net position not recorded in the District fund financial statements:		
General obligation (GO) bonds	$ 439,670,000	
Lease revenue (LR) bonds	7,106,863	
Bond premium - GO bonds	2,436,321	
Bond premium - LR bonds	244,960	
Certificates of participation	3,500,000	
Certificates of participation - premium	155,107	
Net pension liability	63,481,350	
Compensated absences	1,895,284	
Subscription leases	729,757	(519,219,642)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred inflows related to pensions		(5,833,412)
Net Position Reported Within the Statement of Net Position		$ 86,564,217

MARIN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2024

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 11,496,995	$ -	$ 11,496,995	$ 11,496,995	$ -	$ 11,496,995
Other	1300	9,112,188	-	9,112,188	9,112,188	-	9,112,188
Total Instructional Salaries		20,609,183	-	20,609,183	20,609,183	-	20,609,183
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	4,153,191	-	4,153,191
Other	1400	-	-	-	1,604,607	-	1,604,607
Total Non-Instructional Salaries		-	-	-	5,757,798	-	5,757,798
Total Academic Salaries		20,609,183	-	20,609,183	26,366,981	-	26,366,981
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	13,403,433	-	13,403,433
Other	2300	-	-	-	426,890	-	426,890
Total Non-Instructional Salaries		-	-	-	13,830,323	-	13,830,323
Instructional Aides							
Regular Status	2200	1,144,470	-	1,144,470	1,144,470	-	1,144,470
Other	2400	255,594	-	255,594	255,594	-	255,594
Total Instructional Aides		1,400,064	-	1,400,064	1,400,064	-	1,400,064
Total Classsified Salaries		1,400,064	-	1,400,064	15,230,387	-	15,230,387
Employee Benefits	3000	9,062,154	-	9,062,154	19,161,014	-	19,161,014
Supplies and Materials	4000	-	-	-	831,490	-	831,490
Other Operating Expenses	5000	-	-	-	6,861,891	-	6,861,891
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		31,071,401	-	31,071,401	68,451,763	-	68,451,763
Exclusions							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	5,116	-	5,116	5,116	-	5,116
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	153,547	-	153,547
Object to Exclude							
Rents and Leases	5060	-	-	-	200,725	-	200,725
Lottery Expenditures		-	-	-	-	-	-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	808,782	-	808,782
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	132,215	-	132,215
Equipment	6400						
Equipment - Additional	6410	-	-	-	607,268	-	607,268
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	607,268	-	607,268
Total Capital Outlay		-	-	-	739,483	-	739,483
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		$ 5,116	$ -	$ 5,116	$ 1,907,653	$ -	$ 1,907,653
Total for ECS 84362, 50% Law		$ 31,066,285	$ -	$ 31,066,285	$ 66,544,110	$ -	$ 66,544,110
Percent of CEE (Instructional Salary Cost/Total CEE)		46.69%	0.00%	46.69%	100.00%	0.00%	100.00%
50% of Current Expense of Education		$ -	$ -	$ -	$ 33,272,055	$ -	$ 33,272,055

See accompanying note to supplementary information.

MARIN COMMUNITY COLLEGE DISTRICT
EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2024

EPA Revenue	$ 343,519

Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100-5900	$ 343,519	$ -	$ -	$ 343,519
Total		$ 343,519	$ -	$ -	$ 343,519

See accompanying note to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards includes the federal award activity of Marin Community College District under programs of the federal government for the year ended June 30, 2024, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Marin Community College District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Marin Community College District. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Schedule of State Financial Awards

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

Schedule of Workload Measures for State General Apportionment

Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

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

This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

Education Protection Account Expenditure Report

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

OTHER INDEPENDENT AUDITORS' REPORTS

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

The Board of Trustees
Marin Community College District
Kentfield, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the business-type activities and the aggregate remaining fund information of Marin Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CWDL, Certified Public Accountants

San Diego, California
November 13, 2024

CWDL

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

The Board of Trustees
Marin Community College District
Kentfield, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marin Community College District's (the "District") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2024. The District's major Federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
November 13, 2024

CWDL

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
Marin Community College District
Kentfield, California

Report on State Compliance

Opinion on State Compliance
We have audited the Marin Community College District's (the "District") compliance with the types of state compliance as identified in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual* for the year ended June 30, 2024. The applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2024.

Basis for Opinion
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the 2023-24 Contracted District Audit Manual, published by the California Community Colleges Chancellor's Office, and which is described in the accompanying schedule of findings and questioned costs as finding #2024-001. Our opinion on each state program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

Compliance Requirements Tested

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 492 – Student Representation Fee
Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
November 13, 2024

FINDINGS AND QUESTIONED COSTS SECTION

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	No
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	No
Identification of major programs:	

Assistance Listing Numbers	Name of Federal Program of Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for State programs:	Unmodified

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no financial statement audit findings or questioned costs identified during 2023-24.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2023-24.

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING #2024-001 – STATE COMPLIANCE - SALARIES OF CLASSROOM INSTRUCTORS (50 PERCENT LAW)

Criteria
Education Code Section 84362, commonly known as the 50 Percent Law, requires that a minimum of 50 percent of the district's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors."

Condition
The District failed to meet the required 50 percent minimum.

Effect
Less than 50 percent of the District's Current Expense of Education (CEE) was expended for salaries of classroom instructors, thereby the District is not in compliance with Education Code Section 84362.

Cause
The District expended more on non-instructional costs than instructional costs in the Current Expense of Education.

Fiscal Impact
None. The District is primarily funded from property taxes.

Repeat Finding
See prior year finding #2023-001.

Recommendation
The District should come into compliance with the 50 Percent Law by expending a higher amount of the District's CEE for salaries of classroom instructors, or by reducing noninstructional costs.

Corrective Action Plan
The District currently has "community supported" status, or sometimes referred to as "basic aid." With that comes extra resources that allow the District to achieve programs, services and partnerships that other districts may not have the luxury to enjoy. Those extra resources, while not supporting the 50% law, support the community that we need to serve, provide the resources to correct inequities in our local society, and provide services that are many times neglected in Marin County. The extra resources we are fortunate to have as community supported provide for the same students and contributed to the conditions that led to the district unable to make the 50% law for this fiscal year. As the District moves forward, we will continue to meet the needs of all of our programs within the District as needed to achieve our educational and strategic plans.

FINDING #2023-001 – STATE COMPLIANCE - SALARIES OF CLASSROOM INSTRUCTORS (50 PERCENT LAW)

Criteria
Education Code Section 84362, commonly known as the 50 Percent Law, requires that a minimum of 50 percent of the district's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors."

Condition
The District failed to meet the required 50 percent minimum.

Effect
Less than 50 percent of the District's Current Expense of Education (CEE) was expended for salaries of classroom instructors, thereby the District is not in compliance with Education Code Section 84362.

Cause
The District expended more on non-instructional costs than instructional costs in the Current Expense of Education.

Fiscal Impact
None. The District is primarily funded from property taxes.

Recommendation
The District should come into compliance with the 50 Percent Law by expending a higher amount of the District's CEE for salaries of classroom instructors, or by reducing noninstructional costs.

Corrective Action Plan
The District currently has "community supported" status, or sometimes referred to as "basic aid." With that comes extra resources that allow the District to achieve programs, services and partnerships that other districts may not have the luxury to enjoy. Those extra resources, while not supporting the 50% law, support the community that we need to serve, provide the resources to correct inequities in our local society, and provide services that are many times neglected in Marin County. The extra resources we are fortunate to have as community supported provide for the same students and contributed to the conditions that led to the district unable to make the 50% law for this fiscal year. As the District moves forward, we will continue to meet the needs of all of our programs within the District as needed to achieve our educational and strategic plans.

Status
See finding 2024-001.