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NAPA VALLEY COMMUNITY COLLEGE DISTRICT

AUDIT REPORT

JUNE 30, 2025

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Napa Valley Community College District
Napa, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, fiduciary activities, and the aggregate remaining fund information of Napa Valley Community College District (the "District") as of and for the year ended June 30, 2025, 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, fiduciary activities, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences* which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 GAAS. 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 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 December 11, 2025, 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.



San Diego, California
December 11, 2025

NAPA VALLEY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025

The Napa Valley Community College District (the "District") was founded in 1942 as a political subdivision of the State of California. It provides higher education in the greater Napa area, which consists of portions of four counties. The District consists of one main campus in Napa and education centers in American Canyon and St. Helena. The District also offers classes and programs at various other locations throughout the District. The District serves approximately 13,200 full and part-time, credit and noncredit students per semester.

The following discussion and analysis provide an overview of the financial position and activities of the District as of and for the year ended June 30, 2025. Please read it in conjunction with the financial statements and notes thereto which follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

FINANCIAL HIGHLIGHTS

Total net position/(deficit) was \$(19.4) million at June 30, 2025. This was an improvement of \$16.7 million over the prior year. The District's deficit is largely due to the inclusion of: 1) \$90.3 million in outstanding 2002, voter approved, property tax funded, general obligation bonds in the District's liabilities, reflecting a net \$6.7 million reduction from the previous year, 2) \$28.8 million in the District's net OPEB liability, reflecting a net reduction of \$0.6 million from the previous year, and 3) \$38.4 million in the District's net pension liability, reflecting a \$5.5 reduction from the previous year. (See Note 8 – Long-Term Liabilities) Following the Fall 2024 opening of the District's on campus housing, the District has seen an increased need in financial assistance. In Fiscal Year 2025, housing aid is a significant factor in the \$3.4 million increase in Financial Aid disbursements to students.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District was required to implement the reporting standards of Governmental Accounting Standards Board (GASB) Statement No. 34, as amended by GASB Statement No. 35 on July 1, 2002. This adoption changed the format and the content of the District's basic financial statements. The District is following the Business-Type Activity (BTA) model. Rather than issuing fund-type financial statements, these GASB Statements require the following components to be included in the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements including:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
- Notes to Financial Statements

Additionally, fund balance is referred to as Net Position, and the Statement of Cash Flows are presented using the direct method.

The basic financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the District's activities.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the District as of the year ended June 30, 2025 and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private sector organizations. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources (net position) is one indicator of the District's current financial health and condition of the District.

The net position is divided into three major categories. The first category, net investment in capital assets, represents the amount in property, plant, and equipment, net of depreciation, owned by the District. The second category is restricted net position, which represents resources available for expenditure, but must be spent for purposes as determined by external entities and/or donors who have placed time or purpose restrictions on the use of those assets. These restrictions are often enforceable contractual or debt agreements, or by laws, and regulations imposed by governmental agencies through constitutional provisions or enabling legislation. The final category is unrestricted net position/(deficit), a portion of which includes resources available to the District for any lawful purpose. Although unrestricted, the District's Governing Board may place internal restrictions on this expendable net position, but it retains the power to change, remove, or modify such restrictions.

The Statement of Revenues, Expenses, and Changes in Net Position represent the net results of the District's operation. The purpose of the statement is to present the revenues received by the District, both operating and non-operating, as well as the expenses paid by the District, both operating and non-operating. Additional information is provided regarding other revenues, expenses, gains and losses. The bottom of the statement shows the increase (or decrease) to the net position.

Generally, operating revenues are earned through direct "exchange," the District receives money in exchange for providing goods and services to its various customers and constituencies. Operating expenses are those incurred to acquire or produce the aforementioned goods and services. Non-operating revenues are those received, or pledged, where there is no exchange goods and services. State appropriations are one example of non-operating revenues because they are provided by the State Legislature to the District without the Legislature directly receiving commensurate goods and services for those revenues. Tax revenues are another example of non-operating revenues.

The Statement of Cash Flows provides information about the major sources and uses of cash. This statement is to help users assess the District's ability to generate positive cash flows, in order to meet obligations as they become due and evaluate the need for external financing.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash provided by/(used in) the operating activities of District. The second part details cash received/(paid) for non-operating, non-investing, and non-capital activities of the institution. The third section deals with the cash provided by/(used in) the acquisition and construction of capital and related financing activities. The fourth part provides information from investing activities, reflecting, the cash received and spent for short-term investments and any interest paid or received on those investments. The final section shows the increase/(decrease) in the District's cash and equivalents for the year.

A reconciliation is also provided, reconciling the net cash flow from operating activities to the operating income/(loss) reflected on the Statement of Revenues, Expenses, and Changes in Net Position. This net cash reconciliation is shown in an expanded version of the Statement of Cash Flows in the financial statements.

The Statements of Net Position as of June 30, 2025 and 2024 are summarized below:

	2025	2024	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 56,490,608	\$ 46,087,048	\$ 10,403,560
Non-current assets	114,000,656	130,824,953	(16,824,297)
Deferred outflows of resources	17,777,842	19,158,798	(1,380,956)
Total Assets and Deferred Outflows of Resources	\$ 188,269,106	\$ 196,070,799	\$ (7,801,693)
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	\$ 25,872,254	\$ 46,321,361	\$ (20,449,107)
Non-current liabilities	162,610,962	166,882,781	(4,271,819)
Deferred inflows of resources	19,197,693	18,960,131	237,562
Total Liabilities and Deferred Inflows of Resources	207,680,909	232,164,273	(24,483,364)
NET POSITION			
Net investment in capital assets	24,286,428	20,165,200	4,121,228
Restricted	14,896,446	14,814,442	82,004
Unrestricted	(58,594,677)	(71,073,116)	12,478,439
Total Net Position	(19,411,803)	(36,093,474)	16,681,671
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 188,269,106	\$ 196,070,799	\$ (7,801,693)

The District's total assets and deferred outflows of resources decreased by \$7.8 million or 4.0 percent from the previous year. The majority of the decrease was mainly due to decrease in other non-current assets and capital asset depreciation.

Total liabilities and deferred inflows of resources decreased by \$24.5 million or 10.5 percent. This is primarily due to a decrease in unearned revenue, accounts payable and accrued expenses, net OPEB liability and net pension liability.

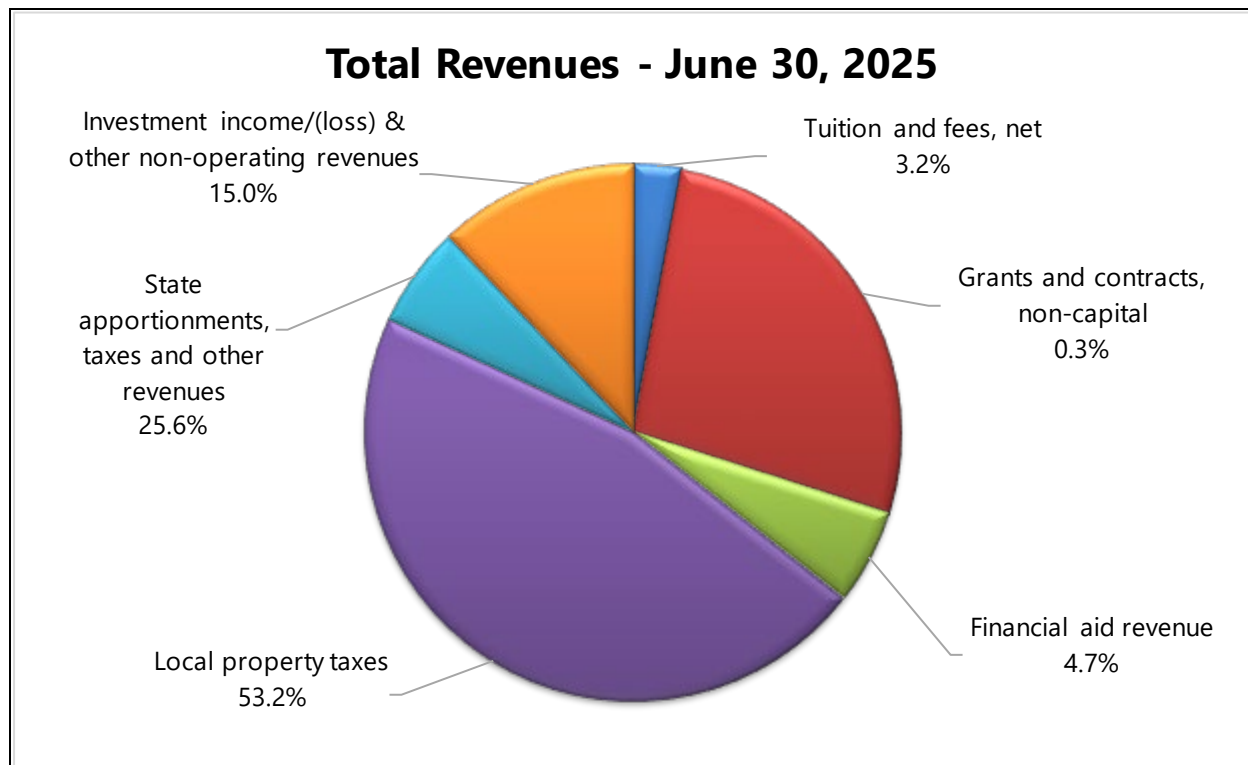
**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

The Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2025 and 2024 are summarized below:

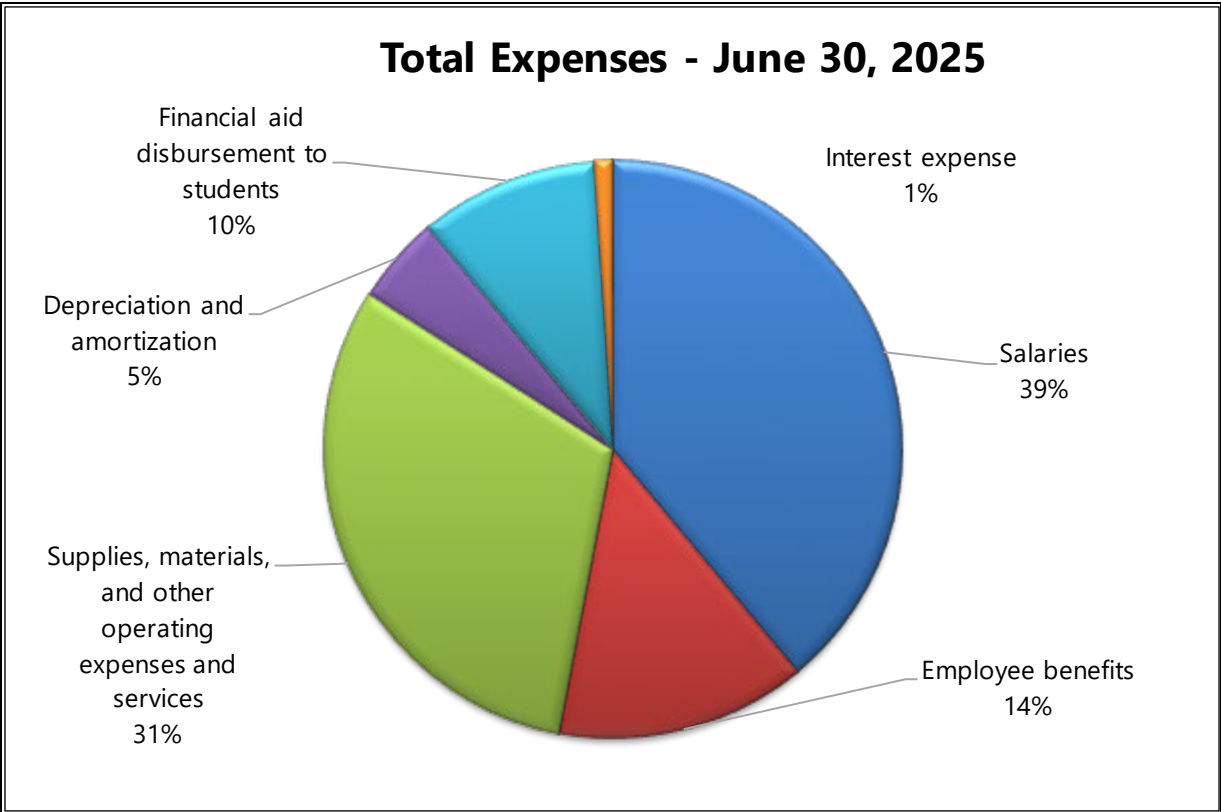
	2025	2024	Change
REVENUES			
Tuition and fees, net	\$ 3,009,362	\$ 2,735,229	\$ 274,133
Grants and contracts, non-capital	28,112,018	(1,420,686)	29,532,704
Financial aid revenue	5,935,534	4,086,642	1,848,892
Local property taxes	48,151,555	45,745,201	2,406,354
State apportionments, taxes and other revenues	6,339,202	22,053,150	(15,713,948)
Investment income/(loss) & other non-operating revenues	12,451,201	12,867,487	(416,286)
Total Revenues	103,998,872	86,067,023	17,931,849
EXPENSES			
Operating expenses	76,622,066	64,687,086	11,934,980
Financial aid disbursement to students	8,202,789	4,770,617	3,432,172
Interest expense	856,783	4,347,803	(3,491,020)
Total Expenses	85,681,638	73,805,506	11,876,132
Changes in Net Position	\$ 18,317,234	\$ 12,261,517	\$ 6,055,717

Operating and non-operating revenues are comparatively reflected below:



OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Operating and non-operating expenses are reflected below:



**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

District Fiduciary Responsibility

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, and donors for student loans and scholarships. The District's fiduciary activities are reported in separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. Net position of fiduciary activities is excluded from the District's net position because the District cannot use fiduciary assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Capital Assets

As of June 30, 2025, the District had approximately \$189.9 million invested in capital assets. Capital assets consist of land, which is non-depreciable, and depreciable assets such as site improvement, buildings and improvements, vehicles, furniture, and other equipment that met the capitalization threshold recommended by GASB Statement No. 35. These assets have accumulated depreciation of \$78.3 million, leaving a net capital asset amount of \$111.5 million.

Note 7 to financial statements provides detailed information on capital assets. A summary of capital assets net of accumulated depreciation and changes therein is presented below:

	2025	2024	Change
Capital assets not being depreciated	\$ 400,003	\$ 400,003	\$ -
Capital assets being depreciated	189,453,189	188,726,677	726,512
Less: accumulated depreciation	(78,328,966)	(74,652,790)	(3,676,176)
Capital Assets, Net	\$ 111,524,226	\$ 114,473,890	\$ (2,949,664)

Debt Administration

At June 30, 2025, the District had approximately \$166.9 million in long-term liabilities, a decrease of \$9.1 million or 5.2 percent from prior year. Notes 8, 9 and 11 to financial statements provide additional information on long-term liabilities.

	2025	2024	Change
General obligation bonds and premium on bonds	\$ 92,918,201	\$ 99,988,946	\$ (7,070,745)
Compensated absences	4,229,942	2,382,714	1,847,228
Lease liabilities	2,495,143	182,022	2,313,121
Net OPEB liability	28,802,150	29,435,510	(633,360)
Net pension liability	38,410,604	43,958,779	(5,548,175)
Total Long-term Liabilities	\$ 166,856,040	\$ 175,947,971	\$ (9,091,931)

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

In 2017-18, Napa Valley College became a "Basic Aid" or "Community Supported" district. That means the sum of the College's local property tax revenues, plus student enrollment fees, exceeds the dollar-threshold below which a portion of the District's operational funding would be dependent on State apportionment funding, as determined by a state-calculation based on full-time equivalent students (FTES), student demographics, and student achievement. Property taxes are a stable source of funding as compared to apportionment funding from the State's General Fund. The latter is derived principally from personal income taxes, and as experience has shown, that revenue can be greatly affected by the up and down swings of the economy. And, because property taxes are stable, with a long history of year-over-year increases, the District is better able to plan over the short and long term.

The District's property tax revenue increased by 2.96%, 7.8% and 7.2% over the previous year for 2024-25, 2023-24, and 2022-23, respectively. The growth rate of property tax in FY2024-25 is lower than the rate the College estimated for the final budget.

The District's Restricted General Fund revenues are dependent on state and federal categorical programs and grants. As such, economic impacts at the state and federal level, plus legislative priorities, can affect the funding the District receives. But, as the managed expenditures in these programmatic areas are limited to the degree of available funding, activity in these areas has a limited impact on the District's reserves.

The College received credit checks of Covid relief Funds for two fiscal quarters in FY2020-21 totaling \$6,728,727. The Board recognized these funds as "one-time funds" and indicated that they are not to be used for ongoing expenses. This additional one-time revenue may help to address unforeseen financial and/or operational imperatives.

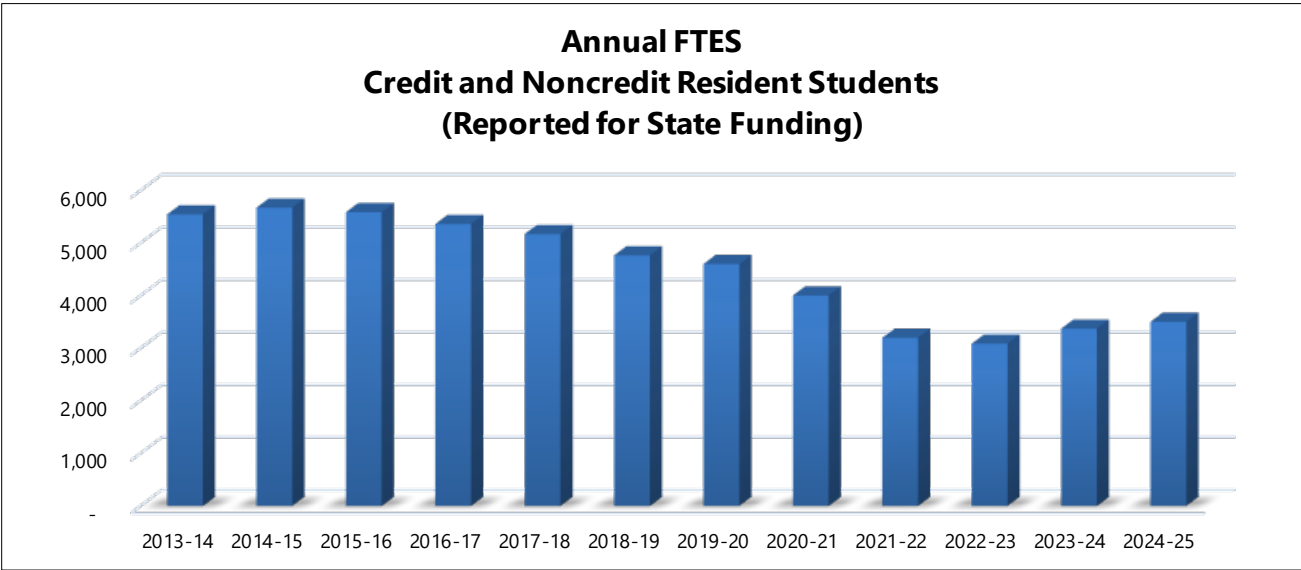
For 2024-25, the District's Unrestricted General Funds (UGF) ending fund balance is reflective of a 33.47% reserve. The receipt of Covid relief Funds artificially inflates the fund balance of FY2024-25. The fund balance amount as a percentage of total restricted and unrestricted General Fund (GF) expenditures is 26.64%. The Government Finance Officers Association (GFOA) and the state chancellor's office recommend a reserve of at least two months of annual operating expense (16.67%) for local governments and community colleges. Notwithstanding the receipt of Covid Relief Funds, Napa Valley College achieved the minimum level of recommended reserves (20.32%).

River Trail Village, the new on-campus student housing project was opened in August 2024 with a variety of floor plans and available flexible lease terms. Napa Valley College has plans and fiscal contingencies in place to support any call on the institutions subordinated liability in fiscal year 2025-26.

HISTORICAL FULL TIME EQUIVALENT STUDENTS (FTES) TRENDS

In the 2025 fiscal year, the District reported 3,505 credit and noncredit resident FTES. See the below chart for a historical perspective on the changes in FTES over the past 11 fiscal years.

HISTORICAL FULL TIME EQUIVALENT STUDENTS (FTES) TRENDS, continued



ADDRESSING ENROLLMENT TRENDS

Due to changes in the demographics of the District’s service area, and the impact of the pandemic, enrollments at the District have been in decline as noted in the Annual FTES graph. For Napa Valley College, Fiscal Year 2025 experienced its first increase in annual enrollments since Fiscal Year 2015. The District continues to be intentional in its efforts to reengage high school students and members of the community with information about available educational programs and resources.

Initiatives intended to improve engagement, and enrollments include the development of an updated Educational Master Plan. The plan provides updated demographic and regional labor information that will inform educational programs and workforce training needs. The District continues to invest significantly in various marketing activities while also deploying staff to local high schools and community gatherings. August 2025 marked the opening of the District’s on-campus 588 bed student housing facility. Napa Valley College is now one of fourteen California Community Colleges offering student housing opportunities. On campus housing improves a student’s ability to persist and succeed in their academic work while creating a diverse living-learning community. On-campus housing will further NVC’s ability to better serve students in the college’s service area in addition to making the college an attractive educational destination for students outside its service area.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Controller, at Napa Valley Community College District, 2277 Napa-Vallejo Highway, Napa, CA 94558.

FINANCIAL SECTION

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and equivalents	\$ 40,665,717
Accounts receivable, net	8,356,885
Lease receivable, current portion	160,084
Due from other funds	6,693,474
Prepaid expenses	614,448
Total Current Assets	<u>56,490,608</u>

Non-current Assets:

Right-to-use assets, net	2,449,280
Lease receivable, non-current portion	27,150
Capital assets, net	111,524,226
Total Non-current Assets	<u>114,000,656</u>

TOTAL ASSETS

170,491,264

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on refunding	5,674,977
Deferred outflows related to pensions	12,049,671
Deferred outflows related to OPEB	53,194

TOTAL DEFERRED OUTFLOWS OF RESOURCES

17,777,842

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 188,269,106

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	\$ 9,278,549
Unearned revenue	12,348,627
Lease liabilities, current portion	750,433
Long-term debt, current portion	3,494,645
Total Current Liabilities	<u>25,872,254</u>

Non-current Liabilities:

Compensated absences	4,229,942
Lease liabilities, non-current portion	1,744,710
Net OPEB liability	28,802,150
Net pension liability	38,410,604
Long-term debt, non-current portion	89,423,556
Total Non-current Liabilities	<u>162,610,962</u>

TOTAL LIABILITIES

188,483,216

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to OPEB	7,428,176
Deferred inflows related to pensions	11,592,576
Deferred inflows related to leases	176,941

TOTAL DEFERRED INFLOWS OF RESOURCES

19,197,693

NET POSITION

Net investment in capital assets	24,286,428
Restricted for:	
Debt service	10,471,976
Capital projects	4,424,470
Unrestricted	<u>(58,594,677)</u>

TOTAL NET POSITION

(19,411,803)

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 188,269,106

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Tuition and fees, gross	\$ 5,017,306
Less: Scholarship discounts and allowances	(2,007,944)
Tuition and fees, net	<u>3,009,362</u>
Grants and contracts, non-capital:	
Federal	8,374,231
State	12,295,773
Local	<u>7,442,014</u>
Subtotal	<u>28,112,018</u>
TOTAL OPERATING REVENUES	<u>31,121,380</u>

OPERATING EXPENSES

Salaries	33,548,959
Employee benefits	11,853,789
Supplies, materials, and other operating expenses and services	26,763,916
Depreciation and amortization	<u>4,455,402</u>
TOTAL OPERATING EXPENSES	<u>76,622,066</u>

OPERATING LOSS

(45,500,686)

NON-OPERATING REVENUES/(EXPENSES)

State apportionments, non-capital	1,939,397
Local property taxes	45,703,233
State taxes and other revenues	4,260,973
Financial aid revenue	5,935,534
Financial aid disbursement to students	(8,202,789)
Investment income/(loss) and FMV adjustment	11,004,411
Interest expense	(856,783)
Other non-operating revenues/(expenses)	<u>1,446,790</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	<u>61,230,766</u>

INCOME/(LOSS) BEFORE OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)

15,730,080

OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)

State apportionments, capital	138,832
Local property taxes, capital	<u>2,448,322</u>
TOTAL OTHER REVENUES/(EXPENSES) AND GAINS/(LOSSES)	<u>2,587,154</u>

INCREASE/(DECREASE) IN NET POSITION

18,317,234

NET POSITION - BEGINNING OF YEAR

(36,093,474)

PRIOR YEAR ADJUSTMENT (SEE NOTE 14)

(1,635,563)

NET POSITION - END OF YEAR

\$ (19,411,803)

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 3,009,362
Grants and contracts	12,755,658
Payments to or on behalf of employees	(49,754,100)
Payments to vendors for supplies and services	(26,339,634)
Net Cash Provided by/(Used in) Operating Activities	(60,328,714)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	1,939,397
Local property taxes	45,703,233
State taxes and other revenues	4,260,973
Financial aid revenue	5,935,534
Financial aid disbursement to students	(8,202,789)
Other non-operating revenues	(4,593,210)
Net Cash Provided by/(Used in) Non-capital Financing Activities	45,043,138

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition and construction of capital assets	(3,791,189)
Local property taxes	2,448,322
State apportionments	138,832
Interest paid on capital debt	(5,614,407)
Other local revenue for capital projects	16,000,000
Net Cash Provided by/(Used in) Capital Financing Activities	9,181,558

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income/(loss) and FMV adjustment	11,004,411
Net Cash Provided by/(Used in) Investing Activities	11,004,411

NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS

4,900,393

CASH AND EQUIVALENTS, BEGINNING OF YEAR

35,765,324

CASH AND EQUIVALENTS, END OF YEAR

\$ 40,665,717

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

**RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY/
(USED IN) OPERATING ACTIVITIES**

Operating Loss	\$ (45,500,686)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/ (Used in) Operating Activities:	
Depreciation and amortization	4,455,402
Changes in Assets, Deferred Outflows/Inflows of Resources and Liabilities:	
Accounts receivable, net	1,119,258
Prepaid expenses	(422,341)
Deferred outflows of resources	1,380,956
Accounts payable and accrued expenses	846,623
Unearned revenue	(16,475,618)
Compensated absences	211,665
Net pension liability	(5,548,175)
Net OPEB liability	(633,360)
Deferred inflows related to OPEB	(223,627)
Deferred inflows related to pensions	769,848
Deferred inflows related to leases	(308,659)
Total Adjustments	<u>(14,828,028)</u>
Net Cash Flows From Operating Activities	<u>\$ (60,328,714)</u>

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION – FIDUCIARY FUND
JUNE 30, 2025

	<u>District Trust</u>
ASSETS	
Cash and equivalents	\$ 2,257,329
Investments	<u>2,837,392</u>
Total Assets	<u>\$ 5,094,721</u>
 LIABILITIES	
Accounts payable and accrued expenses	\$ 3,179,896
Due to other funds	<u>977,555</u>
Total Liabilities	<u>4,157,451</u>
 NET POSITION	
Reserved	<u>937,344</u>
Total Net Position	<u>937,344</u>
Total Liabilities and Net Position	<u>\$ 5,094,795</u>

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND
JUNE 30, 2025

	<u>District Trust</u>
Additions	
Operating revenues	\$ 67,070
Total Additions	<u>67,070</u>
Deductions	
Operating expenses	<u>38,438</u>
Total Deductions	<u>38,438</u>
CHANGE IN NET POSITION	28,632
NET POSITION, BEGINNING OF YEAR	<u>908,712</u>
NET POSITION, END OF YEAR	<u>\$ 937,344</u>

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – ORGANIZATION

The Napa Valley Community College District (the “District”) was founded in 1942 as a political subdivision of the State of California. It provides higher education in the greater Napa area, which consists of portions of four counties. The District consists of one main campus in Napa with education centers in American Canyon and St. Helena. The District also offers classes and programs at various other locations throughout the District. The District serves approximately 10,000 full and part-time, credit and noncredit students per semester. Full-Time Equivalent Students (FTES) for 2024-25 were 3,505.

Financial Reporting Entity

The District has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles and GASB Statement No. 14 and Statement No. 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Board of Trustee’s ability to exercise oversight responsibility. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used to evaluate potential component units is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

For financial reporting purposes, the District includes all funds, agencies, and authorities that are controlled by or are dependent on the District’s executive and legislative branches. Control by or dependence on the District was determined on the basis of budget adoption, taxing, authority, outstanding debt secured by revenues or general obligations of the District, obligations of the District to finance any deficits that may occur, or receipt of significant subsidies from the District.

As a result, the financial statements of the District include the financial activities of the District and the combined totals of the trust and agency funds, which represent the various scholarships and student organizations within the District.

The District, the Napa Valley College Foundation (the “Foundation”), the Napa Valley Community College District Auxiliary Services Foundation (the “District Auxiliary Services Foundation”) and the Napa Valley Viticulture & Wine Technology Foundation (the “VWT Foundation”) have financial and operational relationships that require analysis to determine whether they meet the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) for inclusion as component units of the District. After analysis, all three entities were determined to not have met these criteria. Accordingly, the separately audited financial statements of the Foundation, the District Auxiliary Services Foundation and the VWT Foundation may be obtained from the District.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – ORGANIZATION, continued

Financial Reporting Entity, continued

The following are those aspects of the relationship between the District and the component units that satisfies the GASB:

Accountability: The VWT Foundation and the District Auxiliary Services Foundation operate under a master agreement with the District in accordance with the California Education Code requirements. The District is able to impose its will upon the VWT Foundation and the District Auxiliary Services Foundation.

Discrete Presentation: For financial presentation purposes, the financial activities of the VWT Foundation and the Auxiliary Services Foundation have been discretely presented with the financial activities of the District.

Joint Powers Agencies and Public Entity Risk Pools

The District is associated with four joint powers agencies (JPAs). These organizations do not meet the criteria for inclusion as component units of the District. The JPAs are the Northern California Community College Self Insurance Authority (NCCCSIA), Statewide Association of Community Colleges (SWACC), Schools Self-Insurance of Contra Costa County (SSICCC), and Protected Insurance Program for Schools (PIPS). See Note 10 for more information.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. 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 an obligation has been incurred. All significant intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place and amounts are available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year end.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include state apportionments, property taxes, certain grants, entitlements, and donations. Revenue from state apportionments is generally recognized in the fiscal year in which it is apportioned from the state. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to colleges and universities, as well as those prescribed by the California Community Colleges Chancellor's Office.

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, now codified in the FASB Accounting Standards Codification, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The budgetary and financial accounts of the District are maintained in accordance with the State Chancellor's Office *Budget and Accounting Manual*.

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

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

Cash and Equivalents

The District's cash and equivalents are considered to be cash on hand, demand deposits with financial institutions, and short-term investments with original maturity of three months or less from the date of acquisition. Cash equivalents also include cash in county treasury balances. Fair values of cash in county treasury are determined by the program sponsor.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and for External Investment Pools*, investments are stated at fair market value. Fair market value is estimated based on published market prices at year-end. Investments for which there are no quoted market prices are not material.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Accounts receivable also include amounts due from the Federal government, State and local governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District's grants and contracts. The District utilizes the allowance method with respect to its accounts receivable. The allowance was \$1,633,501 at June 30, 2025.

Prepaid Expenses

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

Lease Receivable

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflows of resources is recorded for the lease. The deferred inflows of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources is amortized on a straight-line basis over the term of the lease.

Due To or Due From Other Funds

Receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities' columns of the statement of net position, except for the net residual amounts due between governmental activities, which are presented as "Due to or from other funds".

Right-to-Use Assets

The District has recorded right-to-use assets as a result of implementing GASB 87 and 96. The right-to-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-to-use assets are amortized on a straight-line basis over the life of the related lease.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 to 65 years; equipment, 5 to 20 years; library books, 5 years; technology equipment, 5 years. Land and construction in progress are considered non-depreciable capital assets; therefore, no depreciation is computed.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expense represent amounts due to vendors, suppliers or service providers for goods and services received. In general, accounts payable and accrued expenses are amounts owed that have not yet been paid for as of June 30. Accounts payable and accrued expenses are recorded on the balance sheet under current liabilities.

Long-term Debt

Long-term debt consists of general obligation bonds, premium on bonds, compensated absences and lease liability. The portion of the long-term debt that is due within a year is reported as current liabilities, while portion of long-term debt that is scheduled to mature or is payable beyond one year is reported as non-current liabilities.

Bond Issuance Costs, Premiums, and Discounts

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method since the results are not significantly different from effective interest method.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the entity-wide financial statements.

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.)

Flow Assumption: When determining the Amounts Due within One Year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The Amount Due within One Year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenues include (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from federal and state grants received before the eligibility requirements are met.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Lease Liabilities

The District recognizes a lease liability at the commencement of a lease and initially measures them at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of lease payments made.

The District estimates its incremental borrowing rate as the discount rate for expected lease payments and the noncancelable period for its leases. Additionally, the District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease liability if certain changes occur that are expected to significantly affect their lease liability.

Pensions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement Plan (the "CalSTRS" Plan), and classified employees are members of the Schools Pool (the "CalPERS" Plan), collectively referred to as the Plans. For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the District's portions of the Plans and additions to/(deductions from) the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets and liabilities, the balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The District's deferred loss on refunding, resulting from the difference in the carrying value and reacquisition price of the refunded debt, is reported as a deferred outflow of resources and is amortized over the shorter of the life of the refunded debt or refunding bond.

The District's deferred inflow of resources from leases is a result of lease receivables that are applicable to future reporting periods.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year-end are recorded as a deferred outflow of resources and will reduce the net pension liability and net OPEB liability/(asset) in the next fiscal year.

Additional factors involved in the calculation of the District's pension and OPEB expenses/(benefits) and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

Net Position

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

- **Net Investment in Capital Assets** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted – Expendable** – Net position whose use by the District is subject to externally imposed constraints that can be fulfilled by actions of the District pursuant to those constraints or by the passage of time.
- **Unrestricted** – Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The entity-wide financial statements reported \$14,896,446 of restricted net position.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Operating Revenues and Expenses

Classification of Revenues – The District has classified its revenues as either operating or non-operating according to the following criteria:

- **Operating revenues** – Operating revenues include activities that have the characteristics of exchange transactions, such as, (1) student tuition and fees, net of scholarship discounts and allowances, (2) internal service – self-insurance charges, (3) most federal, state, and local grants and contracts, and (4) interest on institutional student loans.
- **Non-operating revenues** – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as state apportionments, property taxes, investment income, and other revenue sources described in GASB Statement No. 34.

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

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

Estimates

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

State Apportionment

The District does not receive state apportionment under the Student Centered Funding Formula (SCFF). Napa Valley College is a "Basic Aid" or "Community Supported" District. That means the sum of the College's local property tax revenues, plus student enrollment fees, exceeds the dollar-threshold below which a portion of the District's operational funding would be dependent on State apportionment funding, as determined by SCFF, a state-calculation based on full-time equivalent students (FTES), student demographics, and student achievement.

The district does receive state apportionments for categorical programs. These allocations are based on various financial and statistical information from the current and previous years. The District also receives funding from the state education protection account (EPA) based FTES and apportionment funding for full-time faculty, part-time faculty office hours and health benefits, and mandated costs.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31 and become delinquent after August 31.

The district reports real and personal property tax on an accrual basis. A receivable has been accrued in these financial statements to reflect the amount of property taxes receivable as of June 30, 2025.

Scholarship Discounts and Allowance

Student tuition and fee revenue is 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 enrollment fees and the amount that is paid by students or third parties making payment on the students' behalf. To the extent that fee waivers and discounts have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Interfund Activity

Exchange transactions between funds of the District are reported as revenues and expenses within the Statement of Revenues, Expenses, and Changes in Net Position. Flows of cash or goods from one fund to another without a requirement for repayment are recognized as interfund transfers within the District's fund financial statements. Amounts owing between funds for both exchange and non-exchange transactions are recorded as interfund receivables and payables within the District's fund financial statements. Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the entity-wide financial statements.

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2025:

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. The financial impact of this Statement is reflected in Notes 8 and 14.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards, continued

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. Management has determined that the adoption of this statement did not have any material impact on District’s financial statements

Upcoming GASB Pronouncements

The 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. 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.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

NOTE 3 – CASH AND EQUIVALENTS AND INVESTMENTS

Policies and Practices

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND EQUIVALENTS AND INVESTMENTS, continued

Policies and Practices, continued

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

Investment in CERBT – The District maintains cash or funds 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.

General Authorizations

The table below identifies the investment types authorized for the entity by the District's investment policy. This table also identifies certain provisions of the *California Government Code* that address interest rate risk, credit risk, and concentration of credit risk.

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND EQUIVALENTS AND INVESTMENTS, continued

Authorized Under Debt Agreements

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

Summary of Cash and Equivalents and Investments

Cash and equivalents and investments as of June 30, 2025, consist of the following:

Governmental Funds:

Cash on hand and in banks	\$	55,509
Cash in County Treasury		40,610,208
Total cash and equivalents	\$	40,665,717

Fiduciary Funds:

Cash on hand and in banks	\$	407,270
Cash in County Treasury		1,502,060
Investments in CERBT		3,185,391
Total cash and equivalents and investments	\$	5,094,721

Interest Rate Risk

Interest rate risk is risk to the earnings or market value of a portfolio due to uncertain future interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the County Investment Pool and in other investment agreements.

Specific Identification

Information about the sensitivity of the fair market values of the District's investments to market interest rate fluctuations is indicated by the 386-day weighted average maturity for the District's deposits of \$40,768,799 book value and \$40,610,208 fair value held with the County Treasurer.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County pool and CERBT is not required to be rated, nor has it been rated as of June 30, 2025.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND EQUIVALENTS AND INVESTMENTS, continued

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the District's bank balances were not exposed to custodial credit risk because the individual balances were below \$250,000 and as such, were covered under the FDIC insurance limit.

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. At June 30, 2025 accounts receivable amounted to \$8,356,885, net of allowance of \$1,633,501.

NOTE 5 – LEASE RECEIVABLE

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Future deferred inflows on noncancellable leases at June 30, 2025 are as follows:

Fiscal year	Principal	Interest	Total
2026	\$ 160,084	\$ 3,020	\$ 163,104
2027	27,150	34	27,184
Total	\$ 187,234	\$ 3,054	\$ 190,288

The District leases office space to external parties. In accordance with GASB 87, the District records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective lease. The expected receipts are discounted using the District's incremental borrowing rate. Any variable payments are excluded unless fixed in substance.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – LEASE RECEIVABLE, continued

During the year ended June 30, 2025, the District recognized revenues related to these lease agreements totaling \$153,300. During the year ended June 30, 2025, the District does not have any lease revenue related to variable receipts that were not previously included in the measurement of the lease receivable.

The general terms of the lease agreements are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Rental Income
Building	1	2.50%	8/1/2021 - 8/1/2027	\$ 151,664

NOTE 6 – RIGHT-TO-USE ASSETS

The amount of lease assets by major class of underlying assets as of June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Right-to-Use Assets:				
Leased equipment	\$ 808,042	\$ -	\$ -	\$ 808,042
Leased buildings	67,032	-	-	67,032
Leased software	-	3,064,677	-	3,064,677
Total Right-to-Use Assets	875,074	3,064,677	-	3,939,751
Less: Accumulated Amortization				
Leased equipment	658,178	77,514	-	735,692
Leased buildings	53,067	3,571	-	56,638
Leased software	-	698,141	-	698,141
Total Accumulated Amortization	711,245	779,226	-	1,490,471
Right-to-Use Assets, Net	\$ 163,829	\$ 2,285,451	\$ -	\$ 2,449,280

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ 400,003	\$ -	\$ -	\$ 400,003
Total Capital Assets Not Being Depreciated	400,003	-	-	400,003
Capital Assets Being Depreciated				
Site improvements	43,569,075	-	-	43,569,075
Buildings and improvements	121,532,061	-	-	121,532,061
Furniture and equipment	23,625,541	726,512	-	24,352,053
Total Capital Assets Being Depreciated	188,726,677	726,512	-	189,453,189
Total Capital Assets	189,126,680	726,512	-	189,853,192
Less: Accumulated Depreciation	(74,652,790)	(3,676,176)	-	(78,328,966)
Capital Assets, Net	\$ 114,473,890	\$ (2,949,664)	\$ -	\$ 111,524,226

NOTE 8 – LONG-TERM LIABILITIES

Summary

The changes in the District's long-term liabilities for the fiscal year ended June 30, 2025 consisted of the following:

	Beginning Balance July 1, 2024	Adjustments (Note 14)	Adjusted Balance July 1, 2024	Additions	Payments and Reductions	Ending Balance June 30, 2025	Amounts Due Within One Year
General obligation bonds	\$ 97,044,688	\$ -	\$ 97,044,688	\$ -	\$ 6,695,446	\$ 90,349,242	\$ 3,119,346
Premium on bonds	2,944,258	-	2,944,258	-	375,299	2,568,959	375,299
Compensated absences	2,382,714	1,635,563	4,018,277	243,608	31,943	4,229,942	-
Lease liabilities	182,022	-	182,022	3,064,677	751,556	2,495,143	750,433
Net OPEB liability	29,435,510	-	29,435,510	-	633,360	28,802,150	-
Net pension liability	43,958,779	-	43,958,779	-	5,548,175	38,410,604	-
Total Long-Term Liabilities	\$ 175,947,971	\$ 1,635,563	\$ 177,583,534	\$ 3,308,285	\$ 14,035,779	\$ 166,856,040	\$ 4,245,078

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax collections. The General Fund makes payments for the compensated absences, lease liability, other postemployment benefits and the supplemental employee retirement plans. Accrued vacation will be paid by the fund for which the employee worked.

Original issuance premiums and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

The outstanding general obligation bonded debts as of June 30, 2025 are as follows:

Series	Issue Date	Yield	Maturity Date	Balance			Balance June 30, 2025	Due Within One Year
				July 1, 2024	Additions	Redeemed		
2002 Series B	3/17/2005	2.35-5.38%	8/1/2029	\$ 43,414,687	\$ -	\$ 6,695,445	\$ 36,719,242	\$ 3,119,346
2018 Refunding	6/13/2018	1.98-3.28%	8/1/2034	53,630,000	-	-	53,630,000	-
Total				\$ 97,044,687	\$ -	\$ 6,695,445	\$ 90,349,242	\$ 3,119,346

2002 General Obligation Bonds, Election 2002, Series B

General obligation bonds were approved by a local election in November 2002. The total amount approved by the voters was \$133,800,000. During March 2005, the District issued, from the November 2002 election, the General Obligation Bonds, Series B in the amount of \$64,997,723. The bonds issued consisted of \$49,010,000 of Current Interest Serial bonds and \$15,987,723 in Capital Appreciation Serial bonds. The bonds mature beginning on August 1, 2006 through August 1, 2029, with interest yields ranging from 2.35 percent to 5.38 percent. At June 30, 2025, the principal balance outstanding (including accreted interest to date) was \$36,719,242.

Fiscal Year	Principal	Interest	Accreted Interest	Total
2026	\$ 3,119,346	\$ -	\$ 5,821,013	\$ 8,940,359
2027	3,066,328	-	6,228,672	9,295,000
2028	3,124,900	-	6,875,100	10,000,000
2029	3,462,041	-	8,262,959	11,725,000
2030	27,496	-	72,504	100,000
Accretion	23,919,131	-	(23,919,131)	-
Total	\$ 36,719,242	\$ -	\$ 3,341,117	\$ 40,060,359

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

2018 General Obligation Bonds, Refunding Bonds

Proceeds from the 2018 General Obligation Refunding Bonds of \$59,805,724, issued in June 2018, were used to advance refund a portion of the outstanding Election 2002, Series C bonds. Investments backed by the U.S. government were purchased and placed in an irrevocable trust with an escrow agent. The investments and fixed earnings on the investments are sufficient to fully provide for all future debt service on the refunded bonds, and accordingly the refunding transaction met the criteria for an in-substance defeasance. The liabilities related to the refunded bonds were removed from the District's financial statements for the year ended June 30, 2018.

The bonds issued consisted of \$40,410,000 of Convertible Capital Appreciation bonds. The bonds mature beginning on August 1, 2021 through August 1, 2034, with interest yields ranging from 1.98 percent to 3.28 percent. At June 30, 2025, the principal balance outstanding (including accreted interest to date) was \$53,630,000.

Fiscal Year	Principal	Interest	Total
2026	\$ -	\$ 2,145,200	\$ 2,145,200
2027	-	2,145,200	2,145,200
2028	-	2,145,200	2,145,200
2029	-	2,145,200	2,145,200
2030	7,565,000	2,145,200	9,710,200
2031-2035	46,065,000	5,749,000	51,814,000
Total	\$ 53,630,000	\$ 16,475,000	\$ 70,105,000

Compensated Absences

The liability for compensated absences consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy. At June 30, 2025, the liability recorded for compensated absences was \$4,229,942.

Lease Liabilities

The District has entered into agreements to lease certain equipment and buildings. The lease agreements qualify as other than short-term leases under GASB 87 and 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	Average Annual Lease Payment
Equipment	6	4.00%	7/1/2020 - 8/17/2028	\$ 15,022
Buildings	2	4.00%	11/1/2020 - 6/30/2026	\$ 24,738
Software	5	2.36%	11/13/2022-11/12/2027	\$ 150,473

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES, continued

Lease Liabilities, continued

Future minimum lease payments on noncancellable leases at June 30, 2025 are as follows:

Fiscal year	Principal	Interest	Total
2026	\$ 750,433	\$ 54,322	\$ 804,755
2027	698,749	34,218	732,967
2028	694,328	17,699	712,027
2029	351,633	2,218	353,851
Total	\$ 2,495,143	\$ 108,457	\$ 2,603,600

Net OPEB Liability

The District's beginning net OPEB liability was \$29,435,510 and decreased by \$633,360 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was \$28,802,150. See Note 9 for additional information regarding other postemployment benefits.

Net Pension Liability

The District's beginning net pension liability was \$43,958,779 and decreased by \$5,548,175 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$38,410,604. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

For the fiscal year ended June 30, 2025, the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 28,802,150	\$ 53,194	\$ 7,428,176	\$ (737,548)

Plan Description

The District provides postemployment health care benefits in accordance with District employment contracts to all employees and their eligible dependents who retire from the District until attaining age 65 with at least fifteen years in service. When the retiree attains age 65, the District's plan will provide MediCare supplemental coverage for the employee. The District contributes 100 percent of the amount of the benefit premium costs incurred by retirees.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

Benefits Provided

	Certificated	Classified	Management
Benefit types provided	Medical	Medical	Medical
Duration of Benefits	Lifetime	Lifetime	Lifetime
Required Service *	15 years	15 years	15 years
Minimum Age	STRS retirement age	PERS or STRS retirement age	PERS or STRS retirement age
Dependent Coverage **	Yes	Yes	Yes
District Contribution %	100% of retiree only premium	100% of retiree only premium	100% of retiree only premium

*Certificated and Management employees hired prior to 11/1/2005 have a required service of 5 years.

Classified employees hired prior to 12/13/2005 have a required service of 5 years.

**Upon death of the retiree, an eligible spouse may continue medical coverage and the District's contractual obligation is to pay for the full cost of the continuation of coverage for an eligible spouse if the spouse is receiving a PERS or STRS pension under the retiree's name.

Employees Covered by Benefit Term

The following is a table of plan participants as of the June 30, 2023 actuarial valuation:

	Number of Participants
Inactive employees receiving benefits	228
Active employees	272
Total	500

OPEB Plan Investments

The plan discount rate of 4.46% was determined using the following asset allocation and assumed rate of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
CERBT - Strategy 1		
All Equities	59%	7.55%
All Fixed Income	25%	4.25%
Real Estate Investment Trusts	8%	7.25%
All Commodities	3%	7.55%
Treasury Inflation Protected Securities	5%	3.00%
Total	100%	

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

Actuarial Assumptions

The total 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, 2024
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	4.46%
Salary increase	2.75%
Healthcare cost trend rate	4.00%
Salary increase	2.75%
Healthcare cost trend rate	4.00%

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023	\$ 31,993,421	\$ 2,557,911	\$ 29,435,510
Changes for the year:			
Service cost	1,265,579	-	1,265,579
Interest	1,303,000	281,420	1,021,580
Employer contributions	-	1,222,949	(1,222,949)
Changes in assumptions	(1,698,404)	-	(1,698,404)
Administrative expense	-	(834)	834
Expected benefit payments	(1,222,949)	(1,222,949)	-
Net change	(352,774)	280,586	(633,360)
Balance June 30, 2024	\$ 31,640,647	\$ 2,838,497	\$ 28,802,150

Total Fiduciary Net Position as a percentage of the Total OPEB Liability at June 30, 2025 was 8.97%.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

OPEB Expense/(Benefit) and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of \$(737,548). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 53,194	\$ -
Differences between expected and actual experience	-	5,285,723
Change in assumptions	-	2,142,453
Total	\$ 53,194	\$ 7,428,176

OPEB Expense/(Benefit) and Deferred Outflows/Inflows of Resources Related to OPEB, continued

The deferred outflow of resources 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 inflows of resources resulting from a change in assumption will be amortized to OPEB expense/(benefit) as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,349,407)
2027	(1,222,469)
2028	(1,371,148)
2029	(1,699,980)
2030	(1,489,354)
Thereafter	(242,624)
Total	\$ (7,374,982)

Sensitivity of the Net OPEB Liability/(Asset) to Assumptions

The following table presents the net OPEB liability/(asset) calculated using the discount rate of 4.46 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 and 1 percent higher:

	1% Decrease (3.46%)	Current Discount Rate (4.46%)	1% Increase (5.46%)
Net OPEB liability/(asset)	\$ 33,353,935	\$ 28,802,150	\$ 25,169,399

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS, continued

Sensitivity of the Net OPEB Liability/(Asset) to Assumptions, continued

The following table presents the net OPEB liability/(asset) calculated using the health 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 and 1 percent higher:

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
	(3.00%)	(4.00%)	(5.00%)
Net OPEB liability/(asset)	\$ 24,150,073	\$ 28,802,150	\$ 34,554,148

NOTE 10 – RISK MANAGEMENT

Property and Liability

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's property and liability coverage is self-insured through the Northern California Community Colleges Self Insurance Authority (NCCCSIA). The District retains the risk up to \$1,000 per occurrence. The NCCCSIA retains the risk up to \$25,000 on property and \$25,000 on liability. Insurance above these levels is ceded to another joint powers authority, Statewide Association of Community Colleges (SWACC) to a level of \$25 million on liability and \$250 million on property. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been significant reduction in coverage from the prior year.

Workers' Compensation

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

Dental Insurance Program

The District participates in the dental insurance program, organized by the Schools Self-Insurance of Contra Costa County (SSICCC), which is a joint powers authority created to provide dental self-insurance for school districts.

Participation in Public Entity Risk Pools and JPAs

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS

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

For the fiscal year ended June 30, 2025, the District reported its proportionate share of the net pension liabilities, pension expense/(benefit), deferred outflow of resources, and deferred inflow 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	\$ 13,815,347	\$ 4,551,254	\$ 6,209,982	\$ 496,523
CalPERS	24,595,257	7,498,417	5,382,594	2,852,020
Total	\$ 38,410,604	\$ 12,049,671	\$ 11,592,576	\$ 3,348,543

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2024, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided, continued

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

The STRP provisions and benefits in effect at June 30, 2025, 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

The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$2,927,909.

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

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

District's proportionate share of the net pension liability	\$ 13,815,347
State's proportionate share of the net pension liability associated with the District	6,338,626
Total	<u>\$ 20,153,973</u>

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.02057 percent and 0.02145 percent, resulting in a decrease of 0.00088 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of \$496,523. In addition, the District recognized revenue and corresponding expense of \$578,487 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 56,443
Differences between expected and actual experience	1,562,869	604,519
Changes in assumptions	60,476	943,452
Net changes in proportionate share of net pension liability	-	4,605,568
District contributions subsequent to the measurement date	2,927,909	-
Total	\$ 4,551,254	\$ 6,209,982

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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Outflows/(Inflows) of Resources
2026	\$ (2,727,793)
2027	(631,628)
2028	(897,773)
2029	(399,116)
2030	137,436
Thereafter	(67,763)
Total	\$ (4,586,637)

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

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-2021) table, issued by the Society of Actuaries.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs 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 current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
	<u>100%</u>		

*20 to 30 year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

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	\$ 24,572,981	\$ 13,815,347	\$ 4,832,276

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report 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.

The CalPERS provisions and benefits in effect at June 30, 2025 are summarized below:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
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	27.05%	27.05%

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California Public Employees Retirement System (CalPERS), continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$3,937,444.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$24,595,257. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.0688 percent and 0.0763 percent, resulting in a decrease in the proportionate share of 0.0075 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$2,852,020. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 955,383	\$ -
Differences between expected and actual experience	2,061,952	176,027
Changes in assumptions	543,638	-
Net changes in proportionate share of net pension liability	-	5,206,567
District contributions subsequent to the measurement date	3,937,444	-
Total	<u>\$ 7,498,417</u>	<u>\$ 5,382,594</u>

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California Public Employees Retirement System (CalPERS), continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (549,349)
2027	512,286
2028	(1,062,152)
2029	(722,406)
Total	<u>\$ (1,821,621)</u>

Actuarial Methods and Assumptions

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

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

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2021 published by the Society of Actuaries.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California Public Employees Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLANS, continued

California Public Employees Retirement System (CalPERS), continued

Discount Rate, continued

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 36,536,459	\$ 24,595,257	\$ 14,730,873

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for community college education. These payments consist of state general fund contributions of approximately \$1,279,882 to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under GAAP, this amount is to be reported as revenues and expenditures. Accordingly, this amount has been recorded in these financial statements.

Plan Fiduciary Net Position

Detailed information about CalSTRS and CalPERS' fiduciary net position is available in a separate comprehensive annual financial report. Copies of the annual financial report may be obtained from CalSTRS and CalPERS.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2025, the District had the following commitments related to unfinished capital projects:

Capital Project	Spent to Date	Remaining Construction Commitment	Expected Date of Completion	Funding Source
WEC Center Phase 1	\$ 9,628,328	\$ 1,983,258	January 2026	NVC Foundation Capital Campaign & District
WEC Center Phase 2	30,086	3,569,914	Spring 2026	NCV Foundation Capital Campaign
Basic Needs Center Relocation	-	438,482	February 2026	Basic Needs - State Categorical
EOPS/NextUp Department Remodel	-	622,818	June 2026	EOPS & NextUp - State Categorical
	<u>\$ 9,658,414</u>	<u>\$ 6,614,472</u>		

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 – RELATED PARTY TRANSACTIONS

As described in Note 1, the Foundation is a supporting organization of the District and the College; therefore, transactions between the Foundation and the District, District personnel, students at the College, and programs of the College, are expected. Per the Foundation’s Bylaws, the College President is responsible for Foundation operations and serves in an ex-officio capacity on the Foundation’s Board.

During the year ended June 30, 2025, the Foundation indirectly supported the District by providing grants to students of the College, paying programmatic expenditures, and/or reimbursing District personnel and departments for programmatic costs.

The Foundation was further supported by the involvement of College and District personnel in the Foundation’s events and programs. The total amount of these contributions has not been segregated from the non-District affiliated contributions.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

Net position was restated as follows to reflect effect of GASB Statement No. 101:

Beginning Net Position - previously reported at June 30, 2024	\$ (36,093,474)
Prior Period Adjustment:	
Change in accounting principle (GASB 101)	(1,635,563)
Beginning Net Position - as restated at June 30, 2024	<u>\$ (37,729,037)</u>

NOTE 15 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through December 11, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 1,265,579	\$ 1,652,269	\$ 2,068,932	\$ 2,049,767
Interest	1,303,000	1,370,789	1,107,121	1,262,952
Changes of assumptions	(1,698,404)	(913,700)	(5,680,018)	1,830,805
Experience gains/(losses)	-	(4,669,810)	-	(4,461,573)
Benefit payments	-	-	(8,412)	(1,369,661)
Net change in total OPEB liability	(352,774)	(3,947,238)	(3,771,980)	(687,710)
Total OPEB liability, beginning of year	31,993,421	35,940,659	39,712,639	40,400,349
Total OPEB liability, end of year (a)	\$ 31,640,647	\$ 31,993,421	\$ 35,940,659	\$ 39,712,639
Plan fiduciary net position				
Employer contributions	\$ 1,222,949	\$ 1,386,786	\$ 176,976	\$ 1,369,661
Expected investment income	(1,222,949)	158,582	(743,416)	851,434
Administrative expense	-	(724)	(986)	(1,172)
Expected benefit payments	-	(1,386,786)	-	(1,369,661)
Experience gains/(losses)	-	-	229,844	-
Change in plan fiduciary net position	280,586	208,187	(1,597,185)	850,262
Fiduciary trust net position, beginning of year	2,557,911	2,349,724	3,946,909	3,096,647
Fiduciary trust net position, end of year (b)	\$ 2,838,497	\$ 2,557,911	\$ 2,349,724	\$ 3,946,909
Net OPEB liability/(asset), ending (a) - (b)	\$ 28,802,150	\$ 29,435,510	\$ 33,590,935	\$ 35,765,730
Covered payroll	\$ 34,686,243	\$ 33,131,132	\$ 32,053,790	\$ 33,988,512
Plan fiduciary net position as a percentage of the total OPEB liability	9%	8%	7%	10%
Net OPEB liability/(asset) as a percentage of covered payroll	83%	89%	105%	105%

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 1,482,354	\$ 1,845,909	\$ 1,792,145	\$ 2,015,712
Interest	1,410,008	1,634,206	1,579,126	1,403,950
Changes of assumptions	6,267,017	(14,078,295)	(669,922)	(4,095,479)
Experience gains/(losses)	415,859	(1,072,176)	-	-
Benefit payments	(1,729,693)	(1,654,680)	(1,337,667)	(1,417,367)
Net change in total OPEB liability	7,845,545	(13,325,036)	1,363,682	(2,093,184)
Total OPEB liability, beginning of year	32,554,804	45,879,840	44,516,158	46,609,342
Total OPEB liability, end of year (a)	\$ 40,400,349	\$ 32,554,804	\$ 45,879,840	\$ 44,516,158
Plan fiduciary net position				
Employer contributions	\$ 1,729,693	\$ 1,654,680	\$ 1,337,667	\$ 1,671,975
Expected investment income	105,746	174,009	208,210	239,866
Administrative expense	(1,462)	(604)	(1,394)	(1,196)
Expected benefit payments	(1,729,693)	(1,654,680)	(1,337,667)	(1,417,367)
Experience gains/(losses)	-	-	(3,461)	-
Change in plan fiduciary net position	104,284	173,405	203,355	493,278
Fiduciary trust net position, beginning of year	2,992,363	2,818,958	2,615,603	2,122,325
Fiduciary trust net position, end of year (b)	\$ 3,096,647	\$ 2,992,363	\$ 2,818,958	\$ 2,615,603
Net OPEB liability/(asset), ending (a) - (b)	\$ 37,303,702	\$ 29,562,441	\$ 43,060,882	\$ 41,900,555
Covered payroll	\$ 34,596,629	\$ 29,500,000	\$ 29,500,000	\$ 29,500,000
Plan fiduciary net position as a percentage of the total OPEB liability	8%	9%	6%	6%
Net OPEB liability/(asset) as a percentage of covered payroll	107.82%	100.21%	145.97%	142.04%

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Actuarially determined contribution	\$ 1,256,586	\$ 1,222,949	\$ 1,268,015	\$ 1,268,015
Contributions in relation to the actuarially determined contribution	92,750	101,247	176,976	1,369,661
Contribution deficiency/(excess)	<u>\$ 1,163,836</u>	<u>\$ 1,121,702</u>	<u>\$ 1,091,039</u>	<u>\$ (101,646)</u>
Covered-employee payroll	\$ 34,686,243	\$ 33,131,132	\$ 32,053,790	\$ 33,988,512
Contribution as a percentage of covered-employee payroll	3.62%	3.69%	3.96%	3.73%
	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,369,661	\$ 1,313,834	\$ 1,537,627	\$ 1,444,946
Contributions in relation to the actuarially determined contribution	1,729,693	1,654,680	1,337,667	1,671,975
Contribution deficiency/(excess)	<u>\$ (360,032)</u>	<u>\$ (340,846)</u>	<u>\$ 199,960</u>	<u>\$ (227,029)</u>
Covered-employee payroll	\$ 34,596,629	\$ 29,500,000	\$ 29,500,000	\$ 29,500,000
Contribution as a percentage of covered-employee payroll	3.96%	4.45%	5.21%	4.90%

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.021%	0.021%	0.0231%	0.029%	0.025%
District's proportionate share of the net pension liability	\$ 13,815,347	\$ 16,333,113	\$ 16,035,278	\$ 13,132,878	\$ 24,221,926
State's proportionate share of the net pension liability associated with the District	6,338,626	7,825,796	8,030,515	6,608,093	12,486,305
Total	\$ 20,153,973	\$ 24,158,909	\$ 24,065,793	\$ 19,740,971	\$ 36,708,231
District's covered-employee payroll	\$ 8,156,827	\$ 8,081,413	\$ 14,540,532	\$ 14,702,601	\$ 13,839,470
District's proportionate share of the net pension liability as percentage of covered-employee payroll	169%	202%	110%	89%	175%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.069%	0.076%	0.0924%	0.101%	0.098%
District's proportionate share of the net pension liability	\$ 24,595,257	\$ 27,625,666	\$ 31,810,916	\$ 20,569,968	\$ 30,017,391
District's covered-employee payroll	\$ 14,102,249	\$ 15,437,604	\$ 15,069,297	\$ 15,617,932	\$ 15,144,425
District's proportionate share of the net pension liability as percentage of covered-employee payroll	174%	179%	211%	132%	198%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.023%	0.023%	0.021%	0.023%	0.023%
District's proportionate share of the net pension liability	\$ 20,863,987	\$ 21,158,660	\$ 19,122,333	\$ 18,447,800	\$ 15,380,569
State's proportionate share of the net pension liability associated with the District	11,382,789	12,114,904	11,312,703	10,503,549	8,134,652
Total	\$ 32,246,776	\$ 33,273,564	\$ 30,435,036	\$ 28,951,349	\$ 23,515,221
District's covered-employee payroll	\$ 8,511,873	\$ 12,426,819	\$ 6,003,471	\$ 5,596,892	\$ 5,286,430
District's proportionate share of the net pension liability as percentage of covered-employee payroll	245%	170%	319%	330%	291%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.097%	0.094%	0.092%	0.092%	0.096%
District's proportionate share of the net pension liability	\$ 28,160,372	\$ 25,167,480	\$ 21,942,967	\$ 18,212,766	\$ 14,076,924
District's covered-employee payroll	\$ 15,144,425	\$ 14,648,649	\$ 15,814,068	\$ 13,718,877	\$ 10,502,371
District's proportionate share of the net pension liability as percentage of covered-employee payroll	186%	172%	139%	133%	134%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	83%

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 2,927,909	\$ 1,557,954	\$ 1,367,375	\$ 2,460,258	\$ 2,374,470
District's contributions in relation to the statutorily required contribution	2,927,909	1,557,954	1,367,375	2,460,258	2,374,470
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,329,366	\$ 8,156,827	\$ 8,081,413	\$ 14,540,532	\$ 14,702,601
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.92%	16.15%

CalPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 3,937,444	\$ 3,762,480	\$ 3,536,755	\$ 3,452,376	\$ 3,232,912
District's contributions in relation to the statutorily required contribution	3,937,444	3,762,480	3,536,755	3,452,376	3,232,912
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,556,170	\$ 14,102,249	\$ 15,437,604	\$ 15,069,297	\$ 15,617,932
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	22.91%	22.91%	20.70%

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,509,096	\$ 2,174,160	\$ 1,703,018	\$ 1,464,816	\$ 2,031,915
District's contributions in relation to the statutorily required contribution	2,509,096	2,174,160	1,703,018	1,464,816	2,031,915
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 13,839,470	\$ 13,354,791	\$ 11,801,927	\$ 11,644,006	\$ 8,775,536
District's contributions as a percentage of covered-employee payroll	18.13%	16.28%	14.43%	12.58%	23.15%

CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,986,632	\$ 2,645,839	\$ 2,196,574	\$ 1,905,552	\$ 1,447,948
District's contributions in relation to the statutorily required contribution	2,986,632	2,645,839	2,196,574	1,905,552	1,447,948
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,144,425	\$ 14,648,649	\$ 15,814,068	\$ 13,718,877	\$ 10,502,371
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	13.89%	13.89%	13.79%

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES

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

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

Changes in Benefit Terms – There were no changes in benefit terms since the previous valuation.

Changes of Assumptions – There were no changes in economic assumptions since the previous valuation.

Schedule of Contributions – OPEB

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

Schedule of Proportionate Share of the Net Pension Liability

This schedule presents 10 years of information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

Changes in Benefit Terms - The required employer contributions rate changed from 26.68% to 27.05% since the previous valuation for CalPERS. There were no changes in benefit terms since the previous valuation for CalSTRS.

Changes of Assumptions - Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate, postretirement benefit increases and long-term expected rate of return based on 20 to 30 years geometric average. There were no changes in economic assumptions since previous valuation for CalPERS.

Schedule of Contributions – Pensions

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

SUPPLEMENTARY INFORMATION

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATIONAL STRUCTURE
FOR THE YEAR ENDED JUNE 30, 2025**

The Napa Valley Community College District (the "District") was founded in 1942 as a political subdivision of the State of California. The college was established to provide higher education in the greater Napa area under the laws of the State of California. Napa Valley College is fully accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges. The District operates under a locally elected seven-member Board form of government. There have been no changes in the District's boundaries during the year.

GOVERNING BOARD		
MEMBER	OFFICE	TERM EXPIRES
Ms. Jeni Olson	Board Chair	2026
Mr. Rafael Rios	Vice President	2028
Ms. Jennifer Baker	Trustee	2028
Mr. Jeff Dodd	Trustee	2026
Mr. Jason Kishineff	Trustee	2026
Mr. Kyle Iverson	Trustee	2026
Mr. Ines De Luna	Trustee	2028
Mr. Justin Dizon	Student Trustee	2026

DISTRICT ADMINISTRATORS	
Dr. Torence Powell <i>Superintendent/President</i>	Mr. James Reeves <i>Assistant Superintendent/Vice President - Administrative Services</i>
Dr. Priscilla Mora <i>Assistant Superintendent/Vice President - Academic Affairs</i>	Dr. Alex Guerrero <i>Assistant Superintendent/Vice President - Student Affairs</i>
Ms. Charo Albarran <i>Assistant Superintendent/Vice President - Human</i>	Ms. Wendy Nucho <i>Controller</i>

AUXILIARY ORGANIZATIONS IN GOOD STANDING		
AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Napa Valley College District Auxiliary Services Foundation	Mr. James Reeves	Organized as an auxiliary organization in 2016 and has a signed master agreement dated 10/13/2016.
Viticulture & Winery Technology Foundation	Mr. James Reeves	Organized as an auxiliary organization in 2013 and has a signed master agreement dated 10/10/2013.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Pass Through/ Grant Number	Assistance Listing Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Student Financial Aid Cluster			
Federal Work Study Program (FWS)	*	84.033	\$ 124,994
Federal Pell Grant Program (PELL)	*	84.063	5,671,209
Federal Supplemental Educational Opportunity Grant (SEOG)	*	84.007	215,352
Subtotal Student Financial Aid Cluster			6,011,555
Trio Cluster			
Talent Search	*	84.044	399,540
Student Support Services	*	84.042	331,909
Subtotal Trio Cluster			731,449
Developing Hispanic-Serving Institutions (DHSI) Program	*	84.031S	900,772
Hispanic-Serving Institutions -			
Science, Technology, Engineering, or Mathematics and Articulation Programs	*	84.031C	772,424
Office of Science Financial Assistance Program	*	84.049	149,259
Total U.S. Department of Education			8,565,459
U.S. DEPARTMENT OF FINANCE			
<i>Passed through Chancellor's Office</i>			
Emergency Financial Aid Assistance Grants (SFRF)	*	21.027	32,000
Total U.S. Department of Finance			32,000
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through California Department of Education</i>			
State Administrative Matching Grants for the Supplemental			
Nutrition Assistance Program (CalFresh)	*	10.561	17,284
Total U.S. Department of Agriculture			17,284
U.S. DEPARTMENT OF TRANSPORTATION			
Highway Training and Education	*	20.215	35,000
Total U.S. Department of Transportation			35,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through California State Chancellor's Office</i>			
Temporary Assistance for Needy Families	*	93.558	32,992
Total U.S. Department of Health and Human Services			32,992
Total Federal Programs			\$ 8,682,735

*Pass-Through number is either not available or not applicable

NAPA VALLEY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Program Title	PROGRAM ENTITLEMENT				PROGRAM REVENUES			
	Current Year Auth. Amt.	Prior Year Carry-Over	Adjustment from State	Total Entitlement	Cash Received	Accounts Receivable	Deferred Revenue	Total Revenue
AANHPI Student Achievement Program	\$ 115,510	\$ 245,459	\$ -	\$ 360,969	\$ 360,969	\$ -	\$ 247,281	\$ 113,688
Adult Education Block Grant (CAEP)	261,877	251,552	-	513,429	-	-	-	-
Basic Needs Center	204,811	438,481	-	643,292	643,292	-	410,057	233,235
Cal Fresh	-	16,520	(16,520)	-	-	-	-	-
California College Promise	450,992	598,286	-	1,049,278	1,049,279	-	717,125	332,154
CalWORKS	178,596	92,064	57,804	328,464	270,660	-	94,706	175,954
CARE - Financial Aid	-	-	-	-	29,636	-	-	29,636
CARE - NonFinancial Aid	129,832	88,614	-	218,446	188,810	-	126,703	62,107
CCAP Instructional Materials Dual Enrollment	-	138	-	138	138	-	138	-
CCC Equitable Placement (AB 1705)	-	197,289	-	197,289	197,289	-	11,589	185,700
CCTR Contract	874,458	(53,991)	-	820,467	977,907	-	977,907	-
Childcare Tax Bailout Unrestricted Funds Released	93,275	-	-	93,275	105,049	-	-	105,049
Common Course Numbering System	913,043	-	-	913,043	913,043	-	887,677	25,366
CRPP-CULTURALLY COMPETENT FCLTY PD (replaces 8928)	-	286,365	-	286,365	286,365	-	184,810	101,555
CSAC - CAL Grant	426,796	(25,251)	-	401,545	758,046	17,806	-	775,852
CSAC - CHAFEE	25,000	-	-	25,000	25,000	-	-	25,000
CSPP Contract	372,583	-	-	372,583	154,471	-	154,471	-
DREAMER RESOURCE LIASON	67,298	37,280	-	104,578	104,578	-	83,210	21,368
DSPS	1,176,345	-	-	1,176,345	1,176,345	-	-	1,176,345
EEO Best Practices	-	208,333	-	208,333	208,333	-	208,333	-
EMERGENCY FINANCIAL ASSISTANCE SUPPLEMENTAL	-	105,086	-	105,086	105,086	-	105,086	-
EOPS - Financial Aid	-	-	-	-	99,270	-	-	99,270
EOPS - NonFinancial Aid	936,250	395,091	-	1,331,341	1,232,071	-	477,744	754,327
FA Technology Funding	42,915	16,155	-	59,070	59,070	-	-	59,070
Faculty Staff Diversity (EEO) CY	136,986	-	-	136,986	136,986	-	120,069	16,917
Faculty Staff Diversity (EEO) PY	-	83,676	-	83,676	83,676	-	-	83,676
Financial Aid - BFAP (S.F.A.A.)	298,177	(1,786)	-	296,391	298,177	-	55,221	242,956
FT Student Success	-	8,600	-	8,600	8,600	-	8,600	-
Instructional Equip-CY	-	266,410	-	266,410	266,410	-	15,202	251,208
Leadership Academy	-	12,395	-	12,395	12,395	-	12,395	-
Learning Aligned Employment Program LAEP - CSAC PROGRAM	-	783,460	(783,460)	-	-	-	-	-
Learning Aligned Employment Program LAEP ADMIN COST ALLOWNC- CSAC	-	41,235	(41,235)	-	-	-	-	-
LGBTQ+	41,859	104,247	-	146,106	146,106	-	102,293	43,813
Local and System Technology & Data Security	175,000	20,212	-	195,212	195,212	-	-	195,212
Lottery Funds	223,872	556,871	-	780,743	873,707	128,505	521,313	480,899
LOWINCOME EMRG RELIEF(CA SB85)	-	9,029	-	9,029	9,029	-	9,029	-
Mental Health Support	158,153	95,667	-	253,820	253,820	-	90,383	163,437
MESA - CY	419,393	459,715	-	879,108	879,108	-	454,432	424,676
NextUp	187,252	420,747	-	607,999	642,641	-	471,528	171,113
Nursing Education	100,398	68,643	-	169,041	68,897	-	-	68,897
Nursing Enrollment	-	-	-	-	99,901	-	239	99,662
Physical Plant & Inst'l Support-Plant Portion-Joined with 9839	-	2,163,781	-	2,163,781	2,163,781	-	2,024,950	138,831
Puente-UC REGENTS, Smaller Misc Disbursements	-	5,500	-	5,500	5,500	-	-	5,500
RERP - Workforce Initiatives-Regional Equity & Recovery Partnership	-	15,222	-	15,222	10,148	-	4,875	5,273
RETENTION &OUTREACH (CA SB85)	-	411,888	-	411,888	411,888	-	105,295	306,593
SEA - Current Year Funds	2,396,694	-	-	2,396,694	375,091	-	251,010	124,081
SEA-Basic Skills - Current Year (9843 PY)	-	-	-	-	265,887	-	-	265,887
SEA-Student Success - Noncredit Current Year	-	-	-	-	3,086	-	-	3,086
SEA-Student Success Credit (SSSP)-Current Year	-	-	-	-	1,318,260	-	-	1,318,260
SEA-Student Success Equity-Current Year	-	-	-	-	434,370	-	-	434,370
Staff Development	-	28,799	-	28,799	28,799	-	28,049	750
Strong Workforce - Local	396,938	691,813	(60,702)	1,028,049	1,028,049	-	405,418	622,631
Strong Workforce-Regional	449,593	250,847	14,667	715,107	589,904	179,394	232,994	536,304
Student Food & Housing Support (Basic Needs Svcs Planned)	217,456	422,603	-	640,059	422,603	-	261,246	161,357
Student Success Comp Grant	944,225	346,201	(311,201)	979,225	979,225	-	5,192	974,033
Student Transfer Achievement Reform	-	565,217	-	565,217	565,217	-	370,390	194,827
Transfer Ed and Articulation Seamless Transfer	48,695	-	-	48,695	48,695	-	17,857	30,838
UMOJA (New 2024)	-	133,962	-	133,962	133,962	-	44,761	89,201
VA CH 33 Reimbursements-Pass Through	-	-	-	-	3,887	-	3,887	-
Veteran's Resource Center	53,878	52,952	-	106,830	106,830	-	39,293	67,537
WOJRC Accelerator	-	(76,075)	-	(76,075)	87,791	-	-	87,791
Zero Textbook Cost Program - 2025, General	-	208,669	-	208,669	183,669	-	113,245	70,424
Zero Textbook Cost Program - Acceleration, Physics (\$100k)	125,000	-	-	125,000	125,000	-	125,000	-
Zero Textbook Cost Program	320,000	-	-	320,000	320,000	-	313,984	6,016
Total State Programs	\$ 12,963,150	\$ 11,047,971	\$ (1,140,647)	\$ 22,870,474	\$ 22,531,014	\$ 325,705	\$ 10,894,987	\$ 11,961,732

See accompanying note to supplementary information.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	0.82	-	0.82
2. Credit	35.08	-	35.08
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit	-	-	-
2. Credit	248.75	-	248.75
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	836.17	-	836.17
(b) Daily Census Contact Hours	60.76	-	60.76
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	56.04	-	56.04
(b) Credit	320.88	-	320.88
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	1,638.32	-	1,638.32
(b) Daily Census Contact Hours	308.44	-	308.44
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	3,505.26	-	3,505.26
Centers FTES			
1. Credit	0.37	-	0.37
2. Noncredit*	-	-	-
Total Centers FTES	0.37	-	0.37

*Including Career Development and College Preparation (CDCP) FTES.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025**

		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
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 8,310,333	\$ -	\$ 8,310,333	\$ 8,310,333	\$ -	\$ 8,310,333
Other	1300	4,072,184	-	4,072,184	4,072,184	-	4,072,184
Total Instructional Salaries		12,382,517	-	12,382,517	12,382,517	-	12,382,517
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	2,772,769	-	2,772,769
Other	1400	-	-	-	886,353	-	886,353
Total Non-Instructional Salaries		-	-	-	3,659,122	-	3,659,122
Total Academic Salaries		12,382,517	-	12,382,517	16,041,639	-	16,041,639
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	6,631,419	-	6,631,419
Other	2300	-	-	-	522,656	-	522,656
Total Non-Instructional Salaries		-	-	-	7,154,075	-	7,154,075
Instructional Aides							
Regular Status	2200	611,913	-	611,913	611,913	-	611,913
Other	2400	273,052	-	273,052	273,052	-	273,052
Total Instructional Aides		884,965	-	884,965	884,965	-	884,965
Total Classified Salaries		884,965	-	884,965	8,039,040	-	8,039,040
Employee Benefits	3000	5,388,059	-	5,388,059	10,137,279	-	10,137,279
Supplies and Materials	4000	-	-	-	478,777	-	478,777
Other Operating Expenses	5000	84,526	-	84,526	6,123,286	-	6,123,286
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		18,740,067	-	18,740,067	40,820,021	-	40,820,021
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	147,759	-	147,759	147,759	-	147,759
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	387,380	-	387,380
Object to Exclude							
Rents and Leases	5060	-	-	-	116,651	-	116,651
Lottery Expenditures							
Academic Salaries	1000	-	-	-	436,926	-	436,926
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	138,429	-	138,429
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	7,355	-	7,355
Total Supplies and Materials		-	-	-	7,355	-	7,355
Other Operating Expenses and Services	5000	-	-	-	136,607	-	136,607
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 147,759	\$ -	\$ 147,759	\$ 1,371,107	\$ -	\$ 1,371,107
Total for ECS 84362, 50% Law		\$ 18,592,308	\$ -	\$ 18,592,308	\$ 39,448,914	\$ -	\$ 39,448,914
Percent of CEE (Instructional Salary Cost/Total CEE)		47.13%	0.00%	47.13%	100.00%	0.00%	100.00%
50% of Current Expense of Education					\$ 19,724,457	\$ -	\$ 19,724,457

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
DETAILS OF THE EDUCATION PROTECTION ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

EPA Revenue	\$ 424,473
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 424,473	\$ -	\$ -	\$ 424,473
Total		\$ 424,473	\$ -	\$ -	\$ 424,473

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Total Fund Balance - District Funds Included in the Reporting Entity

General Fund	\$ 17,160,634	
Bond Interest and Redemption Fund	10,471,976	
Child Development Fund	101,202	
Capital Outlay Projects	4,429,896	
Internal Service Fund	1,268,641	
Associated Student Body	192,789	
Other Funds	1,177,677	
Student Rep Fee Trust Fund	33,161	
Student Financial Aid Fund	<u>25,963</u>	\$ 34,861,939

Assets recorded within the statement of net position not included in the District fund financial statements:

Capital assets not being depreciated	\$ 400,003	
Capital assets being depreciated	189,453,189	
Accumulated depreciation	(78,328,966)	
Right-to-use assets, net	2,449,280	
Lease receivable	187,234	
Fair market value adjustment - Cash in County Treasury	<u>(158,591)</u>	114,002,149

Liabilities recorded within the statement of net position not recorded in the District fund financial statements:

Net pension liability	(38,410,604)
Compensated absences	(4,229,942)
Net OPEB liability	(28,802,150)
Lease liabilities	(2,495,143)
Long-term debt	(92,918,201)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred outflows of resources	17,777,842
Deferred inflows of resources	<u>(19,197,693)</u>

Net Assets Reported Within the Statement of Net Position \$ (19,411,803)

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

District Organizational Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Expenditures of Federal Awards

The audit of the District for the year ended June 30, 2025, was conducted in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which requires disclosure of the financial activities of all federally funded programs. To comply with Uniform Guidance, the Schedule of Expenditures of Federal Awards was prepared by the District.

- General – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. The District reporting entity is defined in Note 1 to the District's basic financial statements.
- Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 to the District's basic financial statements.
- Indirect Cost Rate – The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.
- Subrecipients – The District did not provide federal awards to subrecipients during the year ended June 30, 2025.

Schedule of Expenditures of State Awards

The accompanying schedule of expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils 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 throughout the District.

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

This schedule reports any audit adjustments made to the reported data to ensure that a minimum of 50 percent of the District's current expense of education is expended for salaries of classroom instructors.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Details of the Education Protection Account

This schedule reports the District revenue and expenditure classification of the Proposition 30 Education Protection Account funds.

Reconciliation of Governmental Funds to the Statement of Net Position

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

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
Napa Valley Community College District
Napa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the aggregate remaining fund information of Napa Valley Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2025.

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. 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 or significant deficiencies. However, material weaknesses or significant deficiencies 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.



San Diego, California
December 11, 2025



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
Napa Valley Community College District
Napa, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Napa Valley 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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with 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 or significant deficiencies, 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
December 11, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

The Board of Trustees
Napa Valley Community College District
Napa, California

Report on State Compliance

Opinion on State Compliance

We have audited Napa Valley Community College District's (the "District") compliance with the types of compliance requirements as identified in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual* for the year ended June 30, 2025. The applicable State compliance requirements are identified below.

In our opinion, the District complied, in all material respects, with the laws and regulations of the State programs noted below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2024-25 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 2024-25 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 described in the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2024-25 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 of the State programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-25 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; and
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

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 below that we identified during the audit.

Compliance Requirements Tested

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, and which is described in the accompanying schedule of findings and questioned costs as finding #2025-001 and #2025-002. Our opinion on each State program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 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. We identified significant deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as finding #2025-001 and #2025-002.

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.

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 2024-25 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 11, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2025

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.033, 84.063, 84.007</u>	<u>Student Financial Aid Cluster</u>
<u>84.031S</u>	<u>Developing Hispanic-Serving Institutions (DHSI) Program</u>
<u>84.031C</u>	<u>Hispanic-Serving Institutions - Science, Technology, Engineering, or Mathematics and Articulation Programs</u>

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

STATE AWARDS

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

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS
JUNE 30, 2025

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 findings identified during 2024-25.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

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 2024-25.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

FINDING #2025-001 – SALARIES OF CLASSROOM INSTRUCTIONS (50 PERCENT LAW) (CDAM SECTION 421)

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 non-instructional costs.

Repeat Finding

Yes

Corrective Action Plan

In the Fall of 2024 (Fiscal Year 2025), the District contracted with the firm of Cambridge West Partnership to provide an in-depth analysis of categorization and accounting practices related to the District's challenges with compliance with the 50% law. After consultation with Cambridge West and the internal work done by the District, NVC has made significant strides toward meeting the 50% requirement. The District's most recent four-year compliance percentages are: FY22 at 42.72%, FY23 at 45.28%, FY24 at 44.57% and FY25 at 47.13%.

With the Cambridge West consultation, the District has implemented a 50% training handbook and a mandatory 50% training for all administrators. The training was provided to faculty and classified staff. The District continues to consult with the Chancellor's office, other Community College Districts and the District's auditor, CWDL, for the appropriate application of the Chancellor's Office Budget and Accounting Manual (BAM) guidance.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

FINDING #2025-001 – SALARIES OF CLASSROOM INSTRUCTIONS (50 PERCENT LAW) (CDAM SECTION 421), continued

In Fiscal Year 2025, the District was selected to be part of the State's 50% Law Audit for 10 of the 73 California Community Colleges (CCC) districts. The state's evaluation focused on several factors contributing to 50% Law compliance. Napa Community College was one of three community supported (basic aid) districts selected (MiraCosta, Napa, and San Mateo).

Recent steps toward achieving the 50% threshold have included two supplemental employee retirement plan (SERP) offerings; the first in Fiscal Year 2022 and the second in Fiscal Year 2023.

The District continues to rigorously evaluate staffing levels appropriate to its current enrollment and its budget capacity.

Effecting Fiscal Year 2025, the District's 50% threshold was challenged due to ongoing negotiations of collective bargaining agreements which have held salary schedules at Fiscal Year 2024 levels.

With the conclusion of collective bargaining negotiations in Fiscal Year 2026, the District will recognize salary schedule improvements resulting in an anticipated positive impact on its 50% law calculation.

In November of 2025, the District in collaboration with the Chancellor's office submitted a draft of Form CCFS-350B, "Findings of the Local Governing Board Regarding the Fifty Percent Law". With input and additional data from the Chancellor's office, the District has developed a response memo and additional supporting documents to supplement the Form CCFS-350B.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

FINDING #2025-002 – DISABLED STUDENT PROGRAMS AND SERVICES (DSPS) (CDAM SECTION 475)

Criteria

Title 5, California Code of Regulations, sections 56000–56076, and Education Code sections 67310–67313 require that only students with verified disabilities who have applied to or enrolled at the college be reported for DSPS funding. DSPS expenditures must be used solely for allowable services and activities supporting students with disabilities.

Condition

Audit testing noted a couple DSPS student files lacked complete documentation verifying disability and the required interactive process. In addition, an individual was charged to DSPS which workload was not fully supported as an allowable program costs.

Effect

The District may have claimed state DSPS funding for ineligible students and incurred unallowable expenditures, resulting in potential noncompliance with state and Title 5 requirements.

Cause

The condition appears to result from inconsistent documentation practices and limited review of DSPS expenditure coding for compliance with program guidelines.

Fiscal Impact

The special funding for the DSPS program could be affected if program guidelines are not adhered to.

Recommendation

The District should ensure that DSPS eligibility documentation is complete and that all expenditures are reviewed for allowability prior to submission for state funding.

Corrective Action Plan

The DSPS Dean received guidance from the District's auditors regarding staff training and the creation of audit tools to prevent MIS reporting errors.

The District's DSPS Dean worked with the IT department and together the departments developed reports to identify incorrect student statuses. Staff training has been incorporated into the annual department plans to resolve incorrect statuses in a timely manner and prevent future reporting errors.

To prevent non-allowable personnel expenses charged to DSPS, the Vice President of Student Affairs and the Area Dean have implemented a monthly position control review to reconcile payroll expenses and personnel changes.

Prior to year-end the personal expense of concern was resolved and was not reflected in DSPS fiscal reports.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

This section identifies the audit findings and questioned costs related to the basic financial statements, federal awards or state awards of prior year.

FINDING #2024-001 – SALARIES OF CLASSROOM INSTRUCTIONS (50 PERCENT LAW) (CDAM SECTION 421)

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. The District under allocated \$2,066,948 of salary expenditures to ECSA.

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

In the Fall of 2024, the District contracted with the firm of Cambridge West Partnership to provide an in-depth analysis of categorization and accounting practices related to the District's challenges with compliance with the 50% law. This work will include a review of the District's position descriptions and the related account coding being used. The engagement will also review the Fiscal Year 2025 budget for recommended changes in account coding. The deliverables also include the development of a 50% training handbook in addition to recommendations that further the District's objective to be 50% law compliant. In recent efforts to reduce staffing levels and meet the 50% threshold, the District offered two supplemental employee retirement plan (SERP) offerings; the first in Fiscal Year 2022 and the second in Fiscal Year 2023. The District's most recent three year compliance percentages have been FY22 at 42.72%, FY23 at 45.28%, and FY24 at 44.57%. The Staffing Study, completed in Fiscal Year 2023, continues to assist the district in understanding where appropriate staffing adjustments are needed to further improve the District's compliance with the 50% law. The intent of the study was to assist the District in understand staffing levels for like-sized institutions.

Current Status: See finding #2025-001.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

**FINDING #2024-002 – STATE COMPLIANCE (STATE GENERAL APPORTIONMENT FUNDING SYSTEM)
(CDAM SECTION 424)**

Criteria: The total student contact hours reported for each class under the actual hours of attendance procedure should be the sum of the individual attendance hours total for each student in the class as reported by the instructor (5 CCR 58003.1(d) and 5 CCR 58003.1(g)).

Condition: During our testing of state general apportionment funding system, we noted that 1 out of 10 courses tested did not properly report the number of hours as certified by the instructor roster. The identified course was an actual-hours-of-attendance census-type course where the District relies upon instructor certified rosters as the basis for supporting hours claimed.

Questioned Costs: We identified one course without roster support for 9,800 hours. The hours in question equate to 18.67 FTES. The District is community funded as a result no fiscal impact was calculated.

Cause: Clerical error as instructor left the District prior to submission of the support for hours noted above.

Effect: Noncompliance with state general apportionment funding requirements.

Recommendation: We recommend that the District reconcile actual hours report to the hours supported by physical instructor rosters. In addition, per discussion with District management, management will perform monthly audits of instructor rosters and increase training with an emphasis placed on positive attendance calculations.

Management's Response and Corrective Action Plan: Positive Attendance hours are entered by faculty through Self-Service. For one Fall 2023 section, positive attendance hours were entered incorrectly. This error resulted in the over-reporting of positive attendance hours in the college's CCFS-320 Recalc report. As of 11/22/2025, the hours were corrected on the 320, and the correction was submitted and accepted by the Chancellor's Office the same day. The final 2023-24 CCFS-320 Recalc report total was reduced by 18.67 hours.

To prevent this from recurring, A&R will work with IT and our Ellucian consultants to implement mechanisms to prevent the faculty from entering more hours on Self-Service than are possible for the section. Napa Valley College will create an internal audit report to identify differences in course/section totals and faculty entered totals. Additional training for Faculty and Academic administrators will be developed to review attendance reporting prior to review by Admissions and Records. The District will develop an action plan for reviewing the 320 report before submission to the Chancellor's Office.

Contact Person: Jessica Erickson, Dean of Enrollment & Outreach Services

Current Status: Resolved in 2024-25.

UNAUDITED SUPPLEMENTARY INFORMATION

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS – BALANCE SHEETS
JUNE 30, 2025

	General Unrestricted	General Restricted	Bond Interest and Redemption	Child Development	Capital Outlay Projects	Internal Service Fund	Associated Student Body	Student Rep Fee Trust	Student Financial Aid	Total
ASSETS										
Cash and equivalents	\$ 29,931,912	\$ -	\$ 10,466,799	\$ 3,267	\$ 5,426	\$ 18,331	\$ 55,833	\$ 40,174	\$ 302,566	\$ 40,824,308
Accounts receivable, net	7,556,376	(27,486)	-	194,795	-	-	237	-	630,460	8,354,382
Prepaid expenses	612,073	2,375	-	-	-	-	-	-	-	614,448
Due from other funds	-	433,274	5,177	1,190,346	5,455,853	1,250,310	215,843	-	(322)	8,550,481
Total Assets	\$ 38,100,361	\$ 408,163	\$ 10,471,976	\$ 1,388,408	\$ 5,461,279	\$ 1,268,641	\$ 271,913	\$ 40,174	\$ 932,704	\$ 58,343,619
LIABILITIES										
Accounts payable	\$ 3,801,920	\$ 287,996	\$ -	\$ 1,287,206	\$ 1,027,369	\$ -	\$ 22,286	\$ 9,310	\$ 398,364	\$ 6,834,451
Accrued expenses	2,444,098	-	-	-	-	-	-	-	-	2,444,098
Unearned revenue	11,676,597	94,757	-	-	4,014	-	56,838	8,044	508,377	12,348,627
Due to other funds	3,042,522	-	-	-	-	-	-	(10,341)	-	3,032,181
Total Liabilities	20,965,137	382,753	-	1,287,206	1,031,383	-	79,124	7,013	906,741	24,659,357
FUND BALANCE										
Restricted	-	25,410	10,471,976	101,202	4,429,896	-	-	-	-	15,028,484
Unassigned	17,135,224	-	-	-	-	1,268,641	192,789	33,161	25,963	18,655,778
Total Fund Balance	17,135,224	25,410	10,471,976	101,202	4,429,896	1,268,641	192,789	33,161	25,963	33,684,262
Total Liabilities and Fund Balance	\$ 38,100,361	\$ 408,163	\$ 10,471,976	\$ 1,388,408	\$ 5,461,279	\$ 1,268,641	\$ 271,913	\$ 40,174	\$ 932,704	\$ 58,343,619

NAPA VALLEY COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS – STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Unrestricted*	General Restricted	Bond Interest and Redemption	Child Development	Capital Outlay Projects	Internal Service Fund	Associated Student Body	Student Rep Fee Trust	Student Financial Aid	Total
REVENUES										
Federal	\$ 5,608,287	\$ 2,743,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,958,037	\$ 14,309,765
State	4,221,146	9,913,551	27,540	1,479,641	138,832	-	-	-	2,275,778	18,056,488
Local	50,410,175	554,281	10,834,637	35,897	7,433,929	64,411	139,236	10,709	-	69,483,275
Total Revenues	60,239,608	13,211,273	10,862,177	1,515,538	7,572,761	64,411	139,236	10,709	8,233,815	101,849,528
EXPENDITURES										
Academic salaries	16,605,409	2,327,664	-	-	-	-	36,984	-	-	18,970,057
Classified and other non-academic salaries	10,503,895	3,740,461	-	-	1,916	88,836	21,237	-	-	14,356,345
Employee benefits	11,468,524	2,275,533	-	-	1,185	1,757,206	22,033	-	-	15,524,481
Supplies and materials	488,632	870,226	-	-	-	20,415	3,267	-	-	1,382,540
Other operating expenses and services	7,003,829	2,626,141	-	1,531,600	248,771	6,568	25,760	12,043	31,026	11,485,738
Capital outlay	1,883,860	990,773	-	-	8,166,494	-	-	-	-	11,041,127
Other outgo	-	380,803	3,187,971	-	-	-	5,400	-	8,202,789	11,776,963
Interest expense	-	-	7,552,229	-	-	-	-	-	-	7,552,229
Total Expenditures	47,954,149	13,211,601	10,740,200	1,531,600	8,418,366	1,873,025	114,681	12,043	8,233,815	92,089,480
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,285,459	(328)	121,977	(16,062)	(845,605)	(1,808,614)	24,555	(1,334)	-	9,760,048
OTHER FINANCING SOURCES/(USES)										
Operating transfer in	1,963	330	-	(285,000)	805,779	1,804,891	-	-	-	2,327,963
Operating transfer out	(3,237,284)	-	-	-	-	-	-	-	-	(3,237,284)
Total Other Financing Sources/(Uses)	(3,235,321)	330	-	(285,000)	805,779	1,804,891	-	-	-	(909,321)
CHANGES IN FUND BALANCES	9,050,138	2	121,977	(301,062)	(39,826)	(3,723)	24,555	(1,334)	-	8,850,727
FUND BALANCES - BEGINNING	8,085,086	25,408	10,349,999	402,264	4,469,722	1,272,364	168,234	34,495	25,963	24,833,535
FUND BALANCES - ENDING	\$ 17,135,224	\$ 25,410	\$ 10,471,976	\$ 101,202	\$ 4,429,896	\$ 1,268,641	\$ 192,789	\$ 33,161	\$ 25,963	\$ 33,684,262

*Receipt of the COVID Relief Funds recognized in Federal and Local Revenue.

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	Final Budget FY 2025	Actual General Unrestricted	Variances - Final to Actual
REVENUES			
Federal	\$ 37,503	\$ 5,608,287	\$ 5,570,784
State	2,656,646	4,221,146	1,564,500
Property taxes	46,482,572	45,703,233	(779,339)
Local	3,199,539	4,706,942	1,507,403
Total Revenues	52,376,260	60,239,608	7,863,348
EXPENDITURES			
Academic salaries	16,548,221	16,605,409	57,188
Classified and other non-academic salaries	11,935,404	10,503,895	(1,431,509)
Employee benefits	10,666,518	11,468,524	802,006
Supplies and materials	502,420	488,632	(13,788)
Other operating expenses and services	8,202,213	7,003,829	(1,198,384)
Capital outlay	1,037,199	1,883,860	846,661
Total Expenditures	48,891,975	47,954,149	(937,826)
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,484,285	12,285,459	8,801,174
OTHER FINANCING SOURCES/(USES)			
Operating transfer in	-	1,963	1,963
Operating transfer out	(2,950,950)	(3,237,284)	(286,334)
Total Other Financing Sources/(Uses)	(2,950,950)	(3,235,321)	(284,371)
NET CHANGE IN FUND BALANCE	533,335	9,050,138	8,516,803
FUND BALANCE - BEGINNING	8,174,436	8,085,086	(89,350)
FUND BALANCE - ENDING*	\$ 8,707,771	\$ 17,135,224	\$ 8,427,453

*The ending fund balance includes Covid Relief funds (\$6,728,727) and FY25 compensation set-aside (\$1,060,252)

**NAPA VALLEY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

DETAIL OF TRANSFER OUT

TRANSFER TO CAPITAL OUTLAY FUND

To Fund Wine Education Center - District Portion	\$ 7,918	
To Fund ASH Landfill - Contract & Site Project	300,000	
		\$ 307,918

TRANSFER TO SELF INSURANCE FUND

Self-Insurance	100,000	
Student Housing - Contract Contingency	250,000	
Legal & Risk Management	326,346	
Property and Liability insurance expense	<u>448,129</u>	
		1,124,476

TRANSFER TO OTHER INTERNAL SERVICE FUND - REPRODUCTION SERVICES		98,746
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TRANSFER TO POST RETIREMENT FUND

SERP	333,346	
OPEB	<u>1,372,798</u>	
		1,706,144

TOTAL OTHER OUTGOING		<u>\$ 3,237,284</u>
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