Research:

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Summary: Riverside Comnty Coll Dist, CA; Appropriation, Appropriation; Tax Secured, General Obligation

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Credit Profile

US\$60. mil GO bnds (tax-exempt & taxable) ser A&B AA-Sale date: 14-JUN-2004

AFFIRMED

\$1.800 mil. RIVERSIDE COMNTY COLL DIST (93 FING
PROG) CERT OF PARTA+\$10.985 mil. Riverside Comnty Coll Dist certs of part (2001
Rfdg Proj) dtd 11/01/2001 due 06/01/2002-2004 & 10/01/2002-
2017AAA/A+(SPUR)

OUTLOOK:

STABLE

Rationale

The 'AA-' rating on Riverside Community College District, Calif.'s GO bonds (tax-exempt and taxable) series A and B reflects the district's:

- Location in one of the fastest -growing counties in California, with its own diverse economy as well as proximity to the Los Angeles and Orange County economies;
- Maintenance of good unreserved fund balances despite weaker financial performance as a result of reductions in state funding and rising operating costs;
- High overall net debt at 4% of market value, although direct debt is a low 0.1% of market value, as approximately 96% of the district's overall net debt is from overlapping debt; and
- Below-average income and wealth indicators, although these indicators have been improving relative to the state averages.

The series 2004 A and B bonds represent the first of seven total issues of a \$350 million authorization slated to occur over the next 15-18 years. The next scheduled issue is for \$60 million of series C bonds in 2006. The bonds are a general obligation of the district secured by a continuing direct ad valorem tax levied on all taxable property in the district.

Located in western Riverside County, the district enjoys close proximity to Los Angeles and Orange counties, enabling residents and business to participate in these economies as well. The district encompasses roughly 440 square miles and serves an estimated district population of 808,000. The district has three interrelated campuses: Moreno Valley (known for its health sciences and public service programs), Norco (engineering and technology programs), and Riverside (comprehensive undergraduate program). The district also has an early college and college preparatory program. In addition, Riverside Community College's Ben Clark Public Safety Training Center trains all police, fire, and emergency medical personnel for the county. The district had a total enrollment of 37,125, or 23,721 full-time equivalent credit and non-credit students (FTEs) for fiscal 2003.

Outlook

The stable outlook reflects the expectation that the district's financial reserves and financial flexibility will enable it to weather any increased enrollment or continued state funding pressures.

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