Financial Statements
June 30, 2020

Riverside Community College District

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Independent Auditor's Report

Board of Trustees
Riverside Community College District
Riverside, California

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Riverside Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 and other required supplementary information listed in the table of contents on pages 73 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards and the other supplementary information listed in the Table of Contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2021, 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.

Eide Bailly LLP

Riverside, California
February 9, 2021

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Riverside Community College District (the District) as of June 30, 2020. The report consists of three basic financial statements: the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Riverside Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The entity-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

FINANCIAL HIGHLIGHTS

- The District's primary funding source is apportionment received from the State of California through the Student Centered Funding Formula (SCFF). Apportionment funding through the SCFF is based on 70 percent for Full-Time Equivalent Students (FTES), 20 percent for Supplemental metrics, and 10 percent for Student Success metrics. During the 2019-2020 fiscal year, total reported resident FTES were 31,574 as compared to 29,974 in the 2018-2019 fiscal year. The District has 979 unfunded credit FTES for fiscal year 2019-2020. Due to the COVID-19 pandemic, the California Community College Chancellor Office has authorized use of emergency conditions apportionment protection whereby the 2019-2020 first apportionment calculation for FTES will be used for SCFF apportionment calculations for fiscal year 2019-2020, and fiscal year 2020-2021.

- Several scheduled maintenance projects at the District and its three colleges resulted in building and site improvements totaling $1,283,067 in the 2019-2020 fiscal year. Additionally, the District and its three colleges received $113,813 in Proposition 39 Clean Energy Jobs Act funding which resulted in building and site improvements during 2019-2020.

- Completed facility projects, listed below, are primarily funded through the Physical Plant and Instructional Support allocation from the State, the District's voter approved General Obligation Bond (Measure C), and one-time budget savings allocations.

ADA Repairs - Phase I – Norco City College
Soccer Field Turf Replacement – Norco City College
Riverside Quad Interior/Exterior Lighting Retrofit – Riverside City College
Replacement of Library, Science & Tech Elevators - Phase I – Moreno Valley College
Replacement of Library, Science & Tech Elevators - Phase II – Moreno Valley College
Replace Flooring (Carpeting) at Humanities Building – Moreno Valley College

- Employee salaries increased by 8.58 percent or $13.6 million from the 2019-2020 fiscal year and employee benefits increased by 38.17 percent or $26.3 million. The increase in salaries is primarily due to a contractual salary increase of 2.0 percent for all permanent employees; a contractual salary increase of 2.5 percent for part-time faculty; a COLA increase of 3.26 percent; scheduled salary step increases; employee reclassifications; and an increase in the number of positions. The increase in benefit costs is due to increases in health and welfare benefit costs; CalSTRS employer contributions increased from 16.28 percent to 17.1 percent, or 0.82 percent; CalPERS employer contributions increased from 18.06 percent to 19.72 percent, or 1.66 percent; and fixed charge increases associated with the increased number of positions discussed above.

- During the 2019-2020 fiscal year, the District provided approximately $95.8 million in financial aid to students, representing an increase of 10.45 percent over the $86.7 million in fiscal year 2018-2019. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below. The District received Federal COVID-19 funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Federal Pell Grants (PELL)	$ 50,978,824
Federal Supplement Education Opportunity Grant (FSEOG)	1,260,689
Federal Direct Student Loans (Direct Loans)	3,174,365
Federal Work Study Program (FWS)	1,188,849
State of California Cal Grants B	12,040,915
COVID-19 Higher Education Emergency Relief Fund - Student Portion	2,568,500
California Community College Promise Grant	24,595,797
Total financial aid provided to students	$ 95,807,939

THE DISTRICT AS A WHOLE

Net Position

Table 1

	2020	2019	Change
Assets			
Current Assets			
Cash and investments	$ 210,425,775	$ 167,268,838	$ 43,156,937
Accounts receivable (net)	29,756,462	22,829,230	6,927,232
Other current assets	142,756	286,212	(143,456)
Total current assets	240,324,993	190,384,280	49,940,713
Capital assets (net)	406,847,401	420,304,241	(13,456,840)
Total assets	647,172,394	610,688,521	36,483,873
Deferred Outflows of Resources			
Deferred charges on refunding	12,829,484	7,842,356	4,987,128
Deferred outflows of resources related to pensions and OPEB	126,892,660	75,004,323	51,888,337
Total deferred outflows of resources	139,722,144	82,846,679	56,875,465
Total assets and deferred outflows of resources	$ 786,894,538	$ 693,535,200	$ 93,359,338
Current Liabilities			
Accounts payable and interest payable	$ 20,643,051	$ 21,330,614	$ (687,563)
Unearned revenue	74,678,323	67,934,007	6,744,316
Current portion of long-term liabilities	12,277,761	7,781,560	4,496,201
Total current liabilities	107,599,135	97,046,181	10,552,954
Long-Term Liabilities	660,652,554	539,873,051	120,779,503
Total liabilities	768,251,689	636,919,232	131,332,457
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions and OPEB	16,959,459	16,080,455	879,004
Net Position			
Net investment in capital assets	154,958,076	172,376,828	(17,418,752)
Restricted	40,017,525	26,073,442	13,944,083
Unrestricted deficit	(193,292,211)	(157,914,757)	(35,377,454)
Total net position	1,683,390	40,535,513	(38,852,123)
Total liabilities, deferred inflows of resources and net position	$ 786,894,538	$ 693,535,200	$ 93,359,338

The District's components of assets, liabilities, and net position are noted on page 12.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 14.

Table 2

	2020	2019	Change
Operating Revenues			
Tuition and fees (net)	$ 19,042,541	$ 20,636,786	$ (1,594,245)
Grants and contracts, noncapital	96,007,445	87,549,924	8,457,521
Other operating revenues	-	10,315	(10,315)
Total operating revenues	115,049,986	108,197,025	6,852,961
Operating Expenses			
Salaries and benefits	267,522,820	227,612,338	39,910,482
Supplies, materials, and other operating expenses	76,256,988	63,686,393	12,570,595
Student financial aid	74,793,935	65,992,904	8,801,031
Depreciation	18,285,210	18,113,053	172,157
Total operating expenses	436,858,953	375,404,688	61,454,265
Operating loss	(321,808,967)	(267,207,663)	(54,601,304)
Nonoperating Revenues (Expenses)			
State apportionments	140,521,262	133,929,082	6,592,180
Property taxes	58,952,951	55,768,686	3,184,265
Other state revenues	8,756,100	5,425,776	3,330,324
Federal and State financial aid grants	70,520,637	62,644,528	7,876,109
Investment income	3,064,015	2,845,401	218,614
Interest expense	(10,622,335)	(14,546,666)	3,924,331
Other nonoperating revenues	9,595,730	10,032,512	(436,782)
Total nonoperating revenue (expenses)	280,788,360	256,099,319	24,689,041
Other Revenues (Losses)			
State capital revenue	2,459,101	4,184,152	(1,725,051)
Loss on disposal of assets, net	(290,617)	-	(290,617)
Total other revenues (losses)	2,168,484	4,184,152	(2,015,668)
Net Change in Net Position	$ (38,852,123)	$ (6,924,192)	$ (31,927,931)

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in fiscal year 2019-2020. Property taxes levied and received from property within the District's boundaries increased during the year.

Grant and contract revenues relate primarily to student financial aid and to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted to allowable expenses related to the programs. The District received additional Federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. District received CARES I funding of $9 million that was for direct student aid, CARES II funding of $9 million for institutional aid, and CARES III funding of $1.2 million for minority serving institutions.

During 2019-2020, the District's investment income was $3.1 million and interest expense was $10.6 million. Interest income is primarily derived from cash held in the Riverside County Treasury. Investment income has increased approximately $219 thousand from the 2019-2020 fiscal year due to the interest yield on funds held in the Riverside County Investment Pool.

In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Table 3

	Salaries and Employee Benefits	Supplies, Materials, and Other Operating Expenses	Student Financial Aid	Depreciation	Total
Instructional activities	$ 123,242,172	$ 6,827,536	$ -	$ -	$ 130,069,708
Academic support	33,822,921	23,991,929	-	-	57,814,850
Student services	45,016,903	5,780,187	-	-	50,797,090
Plant operations and maintenance	10,639,597	6,023,862	-	-	16,663,459
Instructional support services	39,963,709	23,710,801	-	-	63,674,510
Community services and economic development	2,681,047	666,088	-	-	3,347,135
Ancillary services and auxiliary operations	12,156,471	2,761,173	-	-	14,917,644
Student aid	-	-	74,793,935	-	74,793,935
Physical property and related acquisitions	-	6,495,412	-	-	6,495,412
Unallocated depreciation	-	-	-	18,285,210	18,285,210
Total	$ 267,522,820	$ 76,256,988	$ 74,793,935	$ 18,285,210	$ 436,858,953

Changes in Cash Position

Table 4

	2020	2019	Change
Cash from (used for)			
Operating activities	$ (269,541,173)	$ (214,302,934)	$ (55,238,239)
Noncapital financing activities	265,946,697	249,582,936	16,363,761
Capital financing activities	43,596,135	(4,268,153)	47,864,288
Investing activities	3,155,278	2,276,876	878,402
Net Change in Cash	43,156,937	33,288,725	9,868,212
Cash, Beginning of Year	167,268,838	133,980,113	33,288,725
Cash, End of Year	$ 210,425,775	$ 167,268,838	$ 43,156,937

The Statement of Cash Flows on pages 15 and 16 provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services, the students. The District depends upon this funding to continue the current level of operations.

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2020, the District had $629.8 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2020, the District's net capital assets were $406.8 million. Major capital improvement projects are ongoing throughout the District. These projects are primarily funded through Physical Plant and Instructional Support and Proposition 39: Clean Energy revenues, and District General Obligation Bonds. Projects are accounted for within the Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be recorded to the depreciable Buildings and Improvement category.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

Table 5

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Land and construction in progress	$ 35,173,479	$ 820,610	$ (1,233,777)	$ 34,760,312
Buildings and land improvements	541,410,876	4,771,360	(3,065,647)	543,116,589
Furniture and equipment	50,040,998	2,616,130	(686,366)	51,970,762
Subtotal	626,625,353	8,208,100	(4,985,790)	629,847,663
Accumulated depreciation	(206,321,112)	(18,285,210)	1,606,060	(223,000,262)
	$ 420,304,241	$ (10,077,110)	$ (3,379,730)	$ 406,847,401

Long-Term Liabilities including OPEB and Pensions

Long-term liabilities consist primarily of general obligation bonds, aggregate net pension liability, and the aggregate net other postemployment benefits (OPEB) liability. At the end of the 2019-2020 fiscal year, the District had $318.1 million in general obligation bonds outstanding, including premium. These bonds are repaid in annual installments, in accordance with the obligation requirements for each debt issuance, by way of property tax assessments on property within the District's boundaries. At June 30, 2020, the District's aggregate net pension liability was $244,515,789 and the aggregate net other postemployment benefits (OPEB) liability was $97,435,478.

In November 2019, the District issued General Obligation Bonds, Series F in the amount of $39,995,000. This issuance is the final series from the $350 million Measure C bonds approved on March 2, 2004 by the voters of Riverside Community College District. Additionally, General Obligation Refunding Bonds were issued in the amount of $100,295,000 to advance refund the outstanding principal amount of the District's General Obligation Series D-1 Bonds.

Notes 10-13 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

Table 6

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
General obligation bonds	$ 272,018,101	$ 155,675,314	$ (109,568,995)	$ 318,124,420
Aggregate net other postemployment benefits (OPEB) liability	44,108,037	53,327,441	-	97,435,478
Aggregate net pension liability	221,637,201	22,878,588	-	244,515,789
Other liabilities	9,891,272	3,083,055	(119,699)	12,854,628
Total long-term liabilities	$ 547,654,611	$ 234,964,398	$ (109,688,694)	$ 672,930,315
Amount due within one year				$ 12,277,761

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget to provide for unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2019-2020 fiscal year on June 16, 2020.

The District's final revised budget for the unrestricted General Fund anticipated that expenditures would exceed revenues by $38.8 million. The actual results for the year showed expenditures exceeded revenue by $12.1 million. Due to COVID-19 and the campus closure, the District transferred $2.0 million of General Fund reserves to other resources impacted due to revenue shortfall caused by the closure. The impacted resources included: parking services, and performance riverside due to cancellation of concerts.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT

The financial position of the District is closely tied to the economic position of the State of California since the District's largest source of general unrestricted revenue is State apportionment at 34.36 percent of total revenues. Beginning in FY 2018-2019, the State of California adopted a new method for funding California community colleges, referred to as the Student Centered Funding Formula. The Student Centered Funding Formula shifts the emphasis of funding from solely on access through full-time equivalent students to a combination of access, equity and student success, with the equity component determined by the number of College Promise and Pell Grants awarded, and the student success component determined, among other aspects, by the number of degrees and certificates awarded. Due to the COVID-19 pandemic, the California Community College Chancellor Office has authorized use of emergency conditions apportionment protection whereby 2019-2020 first apportionment calculation for FTES will be used for SCFF apportionment calculations for fiscal year 2019-2020, and fiscal year 2020-2021.

The District's fiscal year 2020-2021 unrestricted general fund adopted budget anticipates revenue decrease of $10.4 million, expenditure increases of $6.1 million, and a Board-approved contingency of 5.0 percent. The District continues to manage enrollment and operating costs to ensure ongoing financial stability and to achieve reserve levels in excess of the required by Board policy and the State Chancellor's Office.

Due to COVID-19, the District implemented a budget reduction plan saving project. Included in the FY 2020-21 budget are cost reduction totaling $5.6 million that included cost reductions as following: defer hiring of vacant positions, utilities reduction and travel reductions.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Riverside Community College District at 3801 Market Street, Riverside, California 92501.

Assets	
Current Assets	
Cash and cash equivalents	$ 2,183,387
Investments	208,242,388
Accounts receivable	26,179,012
Student receivables, net	3,577,450
Prepaid expenses	111,882
Inventories	30,874
Total current assets	240,324,993
Noncurrent Assets	
Nondepreciable capital assets	34,760,312
Depreciable capital assets, net of depreciation	372,087,089
Total noncurrent assets	406,847,401
Total assets	647,172,394
Deferred Outflows of Resources	
Deferred charges on refunding	12,829,484
Deferred outflows of resources related to pensions	80,749,880
Deferred outflows of resources related to aggregate net other postemployment benefits (OPEB) liability	46,142,780
Total deferred outflows of resources	139,722,144
Liabilities	
Current Liabilities	
Accounts payable	16,676,941
Accrued interest payable	3,776,691
Due to fiduciary funds	189,419
Unearned revenue	74,678,323
Long-term liabilities other than OPEB and pensions due within one year	12,277,761
Total current liabilities	107,599,135

Noncurrent Liabilities	
Long-term liabilities other than OPEB and pensions due in more than one year	$ 318,701,287
Aggregate net other postemployment benefits (OPEB) liability	97,435,478
Aggregate net pension liability	244,515,789
Total noncurrent liabilities	660,652,554
Total liabilities	768,251,689
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	16,251,742
Deferred inflows of resources related to OPEB	707,717
Total deferred inflows of resources	16,959,459
Net Position	
Net investment in capital assets	154,958,076
Restricted for	
Debt service	23,411,367
Capital projects	4,700,637
Educational programs	11,118,761
Other activities	786,760
Unrestricted (deficit)	(193,292,211)
Total net position	$ 1,683,390

Operating Revenues	
Student Tuition and Fees	$ 43,638,338
Less scholarship discount and allowance	(24,595,797)
Net tuition and fees	19,042,541
Grants and Contracts, Noncapital	
Federal	17,816,451
State	64,820,316
Local	13,370,678
Total grants and contracts, noncapital	96,007,445
Total operating revenues	115,049,986
Operating Expenses	
Salaries	172,359,847
Employee benefits	95,162,973
Supplies, materials, and other operating expenses and services	68,675,851
Student financial aid	74,793,935
Equipment, maintenance, and repairs	7,581,137
Depreciation	18,285,210
Total operating expenses	436,858,953
Operating Loss	(321,808,967)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	140,521,262
Local property taxes levied for general purposes	41,759,831
Local property taxes levied for capital debt	17,193,120
Federal financial aid grants, noncapital	58,479,721
State financial aid grants, noncapital	12,040,916
State taxes and other revenues	8,756,100
Investment income	2,752,787
Interest expense on capital related debt	(10,622,335)
Investment income on capital related debt	311,228
Other nonoperating revenue	9,595,730
Total nonoperating revenues (expenses)	280,788,360
Loss Before Other Revenues (Losses)	(41,020,607)
Other Revenues (Losses)	
State revenues, capital	2,459,101
Loss on disposal of assets, net	(290,617)
Total Other Revenues (Losses)	2,168,484
Change in Net Position	(38,852,123)
Net Position, Beginning of Year	40,535,513
Net Position, End of Year	$ 1,683,390

Operating Activities	
Tuition and fees	$ 16,920,428
Payments to vendors for supplies and services	(76,621,272)
Payments to or on behalf of employees	(239,571,587)
Payments to students for scholarships and grants	(74,793,935)
Federal, State, and local grants and contracts, noncapital	104,525,193
Net Cash Flows from Operating Activities	(269,541,173)
Noncapital Financing Activities	
State apportionments	132,336,355
Noncapital grants and contracts	70,520,637
Property taxes - non-debt related	41,759,831
State taxes and other apportionments	10,366,078
Other nonoperating	10,963,796
Net Cash Flows from Noncapital Financing Activities	265,946,697
Capital Financing Activities	
Purchase of capital assets	(8,511,051)
Proceeds from sale of capital assets	2,690,000
Proceeds from sale of general obligation bonds	140,290,000
State revenue, capital projects	2,459,101
Property taxes - related to capital debt	17,193,120
Principal paid on capital debt	(108,345,000)
Interest paid on capital debt	(2,491,263)
Interest received on capital related debt	311,228
Net Cash Flows from Capital Financing Activities	43,596,135
Investing Activities	
Interest received from investments	3,155,278
Net Change in Cash and Cash Equivalents	43,156,937
Cash and Cash Equivalents, Beginning of Year	167,268,838
Cash and Cash Equivalents, End of Year	$ 210,425,775

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (321,808,967)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities	
Depreciation	18,285,210
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Accounts receivable	(348,681)
Prepaid expenses	143,456
Accounts payable and other accrued liabilities	(716,559)
Deferred outflows of resources related to OPEB	(45,528,250)
Deferred outflows of resources related to pensions	(6,360,087)
Unearned revenue	6,744,316
Compensated absences and load banking	644,607
Claims liability	2,318,749
Aggregate net other postemployment benefits (OPEB)	53,327,441
Aggregate net pension liability	22,878,588
Deferred inflows of resources related to OPEB	(130,055)
Deferred inflows of resources related to pensions	1,009,059
Total adjustments	52,267,794
Net Cash Flows From Operating Activities	$ (269,541,173)
Cash and Cash Equivalents Consist of	
Cash in banks	$ 2,183,387
Cash in county treasury	208,242,388
Total cash and cash equivalents	$ 210,425,775
Non Cash Transactions	
Amortization of deferred charges on refunding	$ 962,350
Recognition of deferred charges	$ 5,949,478
Amortization of debt premium	$ 1,223,995
Acretion of interest on capital appreciation bonds	$ 2,977,107

	Retiree OPEB Trust	Associated Students Trust
Assets		
Cash and cash equivalents	$ -	$ 2,465,897
Investments	2,234,270	-
Due from primary government	-	189,419
Total assets	2,234,270	2,655,316
Liabilities		
Accounts payable	-	117,629
Due to student groups	-	1,381,737
Total liabilities	-	1,499,366
Net Position		
Restricted for postemployment benefits other than pensions	2,234,270	-
Unrestricted	-	1,155,950
Total net position	$ 2,234,270	$ 1,155,950

	Retiree OPEB Trust	Associated Students Trust
Additions		
Interest and investment income	$ 205,072	$ -
District contributions	5,546,232	-
Other local revenues	-	1,128,793
Total additions	5,751,304	1,128,793
Deductions		
Benefit payments	5,235,658	-
Services and operating expenditures	3,040	983,944
Total deductions	5,238,698	983,944
Change in Net Position	512,606	144,849
Net Position, Beginning of Year	1,721,664	1,011,101
Net Position, End of Year	$ 2,234,270	$ 1,155,950

Note 1 - Organization

The Riverside Community College District (the District) was established in 1916 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, capital project funds, and proprietary funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within western Riverside County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component unit:

- Riverside Community College District Development Corporation

The Riverside Community College District Development Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to provide financing and acquire assets for the District. A majority of the Corporation's Board of Directors either serves by reason of their position in the District or is appointed by the District's Board of Trustees. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. Within the other supplementary information section of the report, the activity is included as the Riverside Community College District Development Corporation Fund as a Special Revenue Fund of the District. Individually prepared financial statements are not prepared for the Corporation.

Condensed component unit information for the Corporation, the District's blended component unit, for the year ended June 30, 2020, is as follows:

Condensed Statement of Net Position

Assets	
Cash and cash equivalents	$ 16,181
Net Position	
Restricted for	
Capital projects	$ 16,181

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

Nonoperating Revenues	
Interest income	$ (9)
Change in Net Position	(9)
Net Position, Beginning of Year	16,190
Net Position, End of Year	$ 16,181

The District has analyzed the financial and accountability relationship with the Riverside Community College District Foundation (the Foundation) in conjunction with the GASB Statement No. 61 criteria. The Foundation is a separate, not for profit organization, and the District does provide and receive benefits to and from the Foundation. However, it has been determined that all criteria under GASB Statement No. 61 have not been met to require inclusion of the Foundation's financial statements in the District's annual report. Information on the Foundation may be requested through the Riverside Community College District Foundation.

Basis of Accounting - Measurement Focus and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become 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. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. For the District, operating revenues consist primarily of student fees and noncapital grants and contracts.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred; when goods are received or services are rendered.

The 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, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the Statement of Cash Flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $629,121 for the year ended June 30, 2020.

Prepaid Expenses

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

Inventories

Inventories consist primarily of cafeteria food and supplies held for resale to the students and faculty of the college. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred.

Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 15 to 50 years; improvements, 10 years; equipment, 3 to 8 years; vehicles, 5 to 10 years.

Accrued Liabilities and Long-term Liabilities

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

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. 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.

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

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for deferred charges on refunding of general obligation bonds, for pension related items, and for OPEB related items. The deferred charges on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District Plan and MPP. For this purpose, the District Plan and MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenues includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, bond premiums, compensated absences, load banking, aggregate net pension liability, and aggregate net OPEB liabilities with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The government-wide financial statements reports $40,017,525 of restricted net position.

Operating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

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

Operating expenses - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.

Nonoperating expenses - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

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

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County of Riverside Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Riverside bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when the County notifies the District of the availability of the revenues.

The voters of the District passed a General Obligation Bond in 2004 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, discounts, and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Federal Supplemental Education Opportunity Grants (FSEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

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

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3*, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

The provisions of this Statement have been implemented as of June 30, 2020, with the exception of Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The District has already implemented this standard as of June 30, 2020.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraphs 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.
The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The effects of this change on the District's financial statements have not yet been determined.

Note 3 - Deposits and Investments

Policies and Practices

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

Investment in County Treasury – In accordance with the *Budget and Accounting Manual*, the District deposits substantially all receipts and collections of monies with their County Treasurer as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis

General Authorizations

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

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

Authorized Under Debt Agreements

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 Deposits and Investments

Deposits and investments as of June 30, 2020, consist of the following:

	Primary Government
Cash on hand and in banks	$ 2,113,387
Cash in revolving	70,000
Investments	208,242,388
Total deposits and investments	$ 210,425,775

	Fiduciary Funds
Cash on hand and in banks	$ 2,465,897
Investments	2,234,270
Total deposits and investments	$ 4,700,167

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Riverside County Investment Pool and mutual funds.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Reported Amount	Maturity Date*
Riverside County Investment Pool	$ 208,242,388	1.12
Mutual Funds	2,234,270	N/A
Total	$ 210,476,658	

*Weighted average of maturity in years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Investment Pool are rated AAA/S1 by Fitch Ratings Ltd. as of June 30, 2020. The District's investments in Mutual Funds are not required to be rated, nor have they been rated as of June 30, 2020.

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 agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District had bank balances of $4,708,308 exposed to custodial credit risk because it was uninsured, but collateralized at 110 percent of balance over $250,000 with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2020, the District's investment balance of $1,734,270 was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Level 1 Inputs
Mutual Funds	$ 2,234,270	$ 2,234,270

All assets have been valued using a market approach, with quoted market prices.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2020, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 4,688,955
State Government	
Apportionment	8,513,685
Categorical aid	5,987,685
Lottery	1,516,135
Local Sources	
Interest	459,709
Property taxes	1,386,441
Other local sources	3,626,402
Total	$ 26,179,012
Student receivables	$ 4,206,571
Less allowance for bad debt	(629,121)
Student receivables, net	$ 3,577,450
Total receivables, net	$ 29,756,462

Note 6 - Capital Assets

Capital asset activity for the District for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land	$ 32,502,697	$ -	$ (834,664)	$ 31,668,033
Construction in progress	2,670,782	820,610	(399,113)	3,092,279
Total capital assets not being depreciated	35,173,479	820,610	(1,233,777)	34,760,312
Capital Assets Being Depreciated				
Land improvements	18,163,617	1,005,885	-	19,169,502
Buildings and improvements	523,247,259	3,765,475	(3,065,647)	523,947,087
Furniture and equipment	50,040,998	2,616,130	(686,366)	51,970,762
Total capital assets being depreciated	591,451,874	7,387,490	(3,752,013)	595,087,351
Total capital assets	626,625,353	8,208,100	(4,985,790)	629,847,663
Less Accumulated Depreciation				
Land improvements	13,214,038	812,761	-	14,026,799
Buildings and improvements	148,606,615	15,516,771	(919,694)	163,203,692
Furniture and equipment	44,500,459	1,955,678	(686,366)	45,769,771
Total accumulated depreciation	206,321,112	18,285,210	(1,606,060)	223,000,262
Net Capital Assets	$ 420,304,241	$ (10,077,110)	$ (3,379,730)	$ 406,847,401

Depreciation expense for the year was $18,285,210.

The District was the beneficiary of an extensive bequest of Mine Okubo's estate, a Japanese-American artist, inclusive of paintings, works of art, reference materials, photographs, books, writings, letters, and printed material. The District took possession of the materials bequeathed from the estate of Ms. Okubo as of June 30, 2009. The District has included the collection and materials as priceless in the District's capital assets (non-depreciable assets). During the course of the next several years and as the District learns the collection's long-term historical value, the values will be added to the District's capital assets. As of June 30, 2020, the District has not recorded a value for the collection in the financial statements.

Note 7 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

	Primary Government
Accrued payroll and benefits	$ 1,268,986
Apportionment	7,968,460
State categorical programs	421,583
Construction payables	546,461
Vendor payables	6,471,451
Total	$ 16,676,941

	Fiduciary Funds
Vendor payables	$ 117,629

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2020, consisted of the following:

	Primary Government
Federal financial assistance	$ 154,252
State categorical aid	66,794,181
Other State aid	2,127,599
Enrollment fees	2,028,489
Health and liability self-insurance	3,241,934
Other local	331,868
Total	$ 74,678,323

Note 9 - Interfund Transactions

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds, respectively, has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2020, the amounts owed between the primary government and the fiduciary funds was $189,419.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2019-2020 fiscal year, there were no transfers made between the primary government and the fiduciary funds.

Note 10 - Long-Term Liabilities Other than OPEB and Pensions

Long-Term Liabilities Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the 2020 fiscal year consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Bonds Payable					
General obligation bonds, Series 2010 D/D-1	$ 112,931,964	$ 621,700	$ (103,475,000)	$ 10,078,664	$ 1,360,000
Unamortized debt premium	1,226,543	-	(152,355)	1,074,188	-
General obligation bonds, refunding bonds 2014, Series A and B	58,890,000	-	(4,770,000)	54,120,000	5,175,000
Unamortized debt premium	3,012,995	-	(372,741)	2,640,254	-
General obligation bonds, Series 2015 E	48,729,931	2,355,407	-	51,085,338	-
Unamortized debt premium	149,653	-	(7,451)	142,202	-
Refunding Bonds 2015	42,685,000	-	(100,000)	42,585,000	100,000
Unamortized debt premium	4,392,015	-	(335,695)	4,056,320	-
General obligation bonds, Series 2019 F	-	39,995,000	-	39,995,000	1,280,000
Unamortized debt premium	-	3,847,096	(114,109)	3,732,987	-
Refunding Bonds 2019	-	100,295,000	-	100,295,000	2,215,000
Unamortized debt premium	-	8,561,111	(241,644)	8,319,467	-
Total bonds payable	272,018,101	155,675,314	(109,568,995)	318,124,420	10,130,000
Other Liabilities					
Compensated absences	3,561,375	764,306	-	4,325,681	2,147,761
Load banking	947,700	-	(119,699)	828,001	-
Claims liability	5,382,197	2,318,749	-	7,700,946	-
Total other liabilities	9,891,272	3,083,055	(119,699)	12,854,628	2,147,761
Total long-term liabilities	$ 281,909,373	$ 158,758,369	$ (109,688,694)	$ 330,979,048	$ 12,277,761

Description of Debt

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property tax collections. The compensated absences and load banking are paid by the fund for which the employees' salaries are paid from. The District's Internal Service Fund makes payments for the claims liability.

Bonded Debt

2004 General Obligation Bonds Series 2010 D/D-1

During December 2010, the District issued the 2004 General Obligation Bonds Series 2010D/D-1 in the amount of $109,999,278. The bonds mature beginning on August 1, 2015 through August 1, 2040, with interest yields ranging from 2.36 to 5.53 percent. The bonds issued included $102,300,000 of current interest Build America Bonds (Series 2010D-1 Bonds) and $7,699,278 of capital appreciation tax-exempt bonds (Series 2010D Bonds), with the value of the capital appreciation bonds maturing to a principal balance of $15,920,000. At June 30, 2020, the Series 2010 D-1 bonds were paid in full and Series 2010 D bonds had a principal balance outstanding of $10,078,664 and unamortized premium cost of $1,074,188.

The District has designated the Series 2010D-1 Bonds as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the Stimulus Act), the interest on which is not excluded from gross income for Federal income tax purposes, but is exempt from State of California personal income taxes. The District expects to receive a cash subsidy from the United States Treasury equal to 35 percent of the interest payable on such Series 2010D-1 Bonds. The District is obligated to make all payments of principal and interest on the Series 2010D-1 Bonds from the sources described in the official statement whether or not it receives cash subsidy payments pursuant to the Stimulus Act. Effective March 1, 2013, the subsidy percentage was reduced by 8.7 percent, to 26.3 percent as a result of sequestration by the Federal government. The sequestration percentage was again adjusted to 6.2 percent as of October 1, 2018, resulting in a subsidy of $1,851,089.

The bonds are being used for the purposes of financing the repair, acquisition, construction, and equipping of certain District facilities, and to pay all legal, financial, and contingent costs in connection with the issuance of the bonds. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. Interest with respect of the bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

2014 General Obligation Refunding Bonds

During May 2014, the District issued the $73,090,000 2014 General Obligation Refunding Bonds, Series A and Series B (federally taxable) in the amounts of $29,130,000 and $43,960,000, respectively. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

Series A tax-exempt bonds have a final maturity to occur on August 1, 2027, with interest rates from 2.00 to 5.00 percent. The net proceeds of $34,006,704 (representing the principal amount of $29,130,000 plus premium on issuance of $4,876,704) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2004A, advance refund a portion of the District's 2005 General Obligation Refunding Bonds, advance refund a portion of the 2004 General Obligation Bonds, Series 2007C, and pay the costs associated with the issuance of the refunding bonds. Series B federally taxable bonds have a final maturity to occur on August 1, 2024, with interest rates from 0.40 to 3.61 percent. The proceeds of $43,960,000 from issuance were used to advance refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds, and pay the costs associated with the issuance of the federally taxable bonds. At June 30, 2020, the principal balance outstanding was $54,120,000. Unamortized premium received on issuance of the bonds amounted to $2,640,254 as of June 30, 2020.

2004 General Obligation Bonds, Series 2015E

During July 2015, the District issued the 2004 General Obligation Bonds, Series 2015E in the amount of $45,004,145. The bonds mature beginning on August 1, 2015 through August 1, 2039, with interest yields ranging from 3.81 to 5.05 percent. At June 30, 2020, the principal outstanding was $51,085,338 and unamortized premium cost of $142,202.

The bonds are being used for the purposes of financing the costs of renovating, acquiring, construction, repairing, and equipping District buildings and to pay all legal, financial, and contingent costs in connection with the issuance of the bonds. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. Interest with respect of the bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

2015 General Obligation Refunding Bonds

During July 2015, the District issued the 2015 General Obligation Refunding Bonds in the amount of $43,920,000. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

The bonds have a final maturity to occur on August 1, 2032, with interest rates from 2.00 to 5.00 percent. The net proceeds of $49,654,797 (representing the principal amount of $43,920,000 plus premium on issuance of $5,734,797) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2007C, advance refund the remaining balance of the District's 2005 General Obligation Refunding Bonds and pay the costs associated with the issuance of the refunding bonds. At June 30, 2020, the principal balance outstanding was $42,585,000. Unamortized premium received on issuance of the bonds amounted to $4,056,320 as of June 30, 2020.

2004 General Obligation Bonds, Series 2019F

During October 2019, the District issued the 2004 General Obligation Bonds, Series 2019F in the amount of $39,995,000. The bonds mature beginning on August 1, 2020 through August 1, 2039, with interest yields ranging from 3.00 to 4.00 percent. At June 30, 2020, the principal outstanding was $39,995,000 and unamortized premium cost of $3,732,987.

The bonds are being used for the purposes of financing the costs of renovating, acquiring, construction, repairing, and equipping District buildings and to pay all legal, financial, and contingent costs in connection with the issuance of the bonds. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. Interest with respect of the bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2020.

2019 General Obligation Refunding Bonds

During October 2019, the District issued the 2019 General Obligation Refunding Bonds in the amount of $100,295,000. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

The bonds have a final maturity to occur on August 1, 2040, with interest rates from 3.00 to 4.00 percent. The net proceeds of $108,856,111 (representing the principal amount of $100,295,000 plus premium on issuance of $8,561,111) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2010D-1 and pay the costs associated with the issuance of the refunding bonds. At June 30, 2020, the principal balance outstanding was $100,295,000. Unamortized premium received on issuance of the bonds amounted to $8,319,467 as of June 30, 2020.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2020
2010	2026	2.36%-5.53%	$ 109,999,278	$ 112,931,964	$ -	$ 621,700	$ 103,475,000	$ 10,078,664
2014	2028	0.40%-5.00%	73,090,000	58,890,000	-	-	4,770,000	54,120,000
2015	2040	3.81%-5.05%	45,004,145	48,729,931	-	2,355,407	-	51,085,338
2015	2033	2.00%-5.00%	43,920,000	42,685,000	-	-	100,000	42,585,000
2019	2040	3.00%-4.00%	39,995,000	-	39,995,000	-	-	39,995,000
2019	2041	3.00%-4.00%	100,295,000	-	100,295,000	-	-	100,295,000
				$ 263,236,895	$ 140,290,000	$ 2,977,107	$ 108,345,000	$ 298,159,002

The General Obligation Bonds, Series 2010 D mature through 2026 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Total
2021	$ 1,296,776	$ 63,224	$ 1,360,000
2022	1,454,560	105,440	1,560,000
2023	1,571,513	203,487	1,775,000
2024	1,654,692	320,308	1,975,000
2025	1,726,859	463,141	2,190,000
2026	2,374,264	830,736	3,205,000
Total	$ 10,078,664	$ 1,986,336	$ 12,065,000

The General Obligation Bonds, 2014 Refunding Bonds, Series A and B mature through 2028 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 5,175,000	$ 2,141,647	$ 7,316,647
2022	5,635,000	1,966,891	7,601,891
2023	6,130,000	1,763,760	7,893,760
2024	6,675,000	1,533,011	8,208,011
2025	7,260,000	1,284,409	8,544,409
2026-2028	23,245,000	1,803,375	25,048,375
Total	$ 54,120,000	$ 10,493,093	$ 64,613,093

The General Obligation Bonds, Series 2015 E mature through 2040 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Total
2021	$ -	$ -	$ -
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026-2030	7,835,254	3,079,746	10,915,000
2031-2035	18,753,946	16,041,054	34,795,000
2036-2040	24,496,138	33,618,862	58,115,000
Total	$ 51,085,338	$ 52,739,662	$ 103,825,000

The General Obligation Bonds, 2015 Refunding mature through 2033 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 100,000	$ 2,052,975	$ 2,152,975
2022	100,000	2,050,475	2,150,475
2023	100,000	2,047,475	2,147,475
2024	100,000	2,044,475	2,144,475
2025	100,000	2,041,475	2,141,475
2026-2030	19,230,000	9,242,125	28,472,125
2031-2033	22,855,000	1,152,438	24,007,438
Total	$ 42,585,000	$ 20,631,438	$ 63,216,438

The General Obligation Bonds, Series 2019 F mature through 2040 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 1,280,000	$ 1,353,000	$ 2,633,000
2022	1,155,000	1,310,700	2,465,700
2023	1,650,000	1,254,600	2,904,600
2024	300,000	1,215,600	1,515,600
2025	255,000	1,204,500	1,459,500
2026-2030	6,850,000	5,493,600	12,343,600
2031-2035	11,470,000	3,524,025	14,994,025
2036-2040	17,035,000	1,393,125	18,428,125
Total	$ 39,995,000	$ 16,749,150	$ 56,744,150

The General Obligation Bonds, 2019 Refunding mature through 2041 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	$ 2,215,000	$ 3,383,075	$ 5,598,075
2022	285,000	3,344,150	3,629,150
2023	300,000	3,332,450	3,632,450
2024	310,000	3,320,250	3,630,250
2025	325,000	3,307,550	3,632,550
2026-2030	1,825,000	16,328,750	18,153,750
2031-2035	27,730,000	14,396,250	42,126,250
2036-2040	54,895,000	6,174,875	61,069,875
2041	12,410,000	186,150	12,596,150
Total	$ 100,295,000	$ 53,773,500	$ 154,068,500

Compensated Absences

At June 30, 2020, the liability for compensated absences was $4,325,681.

Load Banking

At June 30, 2020, the liability for load banking was $828,001.

Claims Liability

At June 30, 2020, the claims liability was $7,700,946. See Note 12 for additional information.

Note 11 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 96,423,571	$ 46,142,780	$ 707,717	$ 7,624,542
Medicare Premium Payment (MPP) Program	1,011,907	-	-	44,594
Total	$ 97,435,478	$ 46,142,780	$ 707,717	$ 7,669,136

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the California Employers' Retiree Benefit Trust.

Plan Membership

At June 30, 2020, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	129
Active employees	1,109
	1,238

California Employers' Retiree Benefit Trust (CERBT)

The CERBT OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the California Public Employees' Retirement System (CalPERS) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented.

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by agreements with the District, the Faculty Association (CCA/CTA/NEA), the local California School Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, with any additional amounts to prefund benefits with the District, CTA, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2020, the District contributed $5,546,232 to the Plan, of which $3,304,004 was used for current premiums and $2,242,228 was used to fund the OPEB Trust. Of this amount, $1,931,654 was disbursed as a reimbursement to the District for current year OPEB premiums.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation
Global Equity	40%
Fixed Income	43%
Treasury Inflation-Protected Securities (TIPS)	5%
Real Estate Investment Trusts (REITs)	8%
Commodities	4%

Rate of Return

For the year ended June 30, 2020, the annual money-weighed rate of return on investments, net of investment expense, was 10.87 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $96,423,571 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2020, were as follows:

Total OPEB liability	$ 98,657,841
Plan fiduciary net position	(2,234,270)
District's net OPEB liability	$ 96,423,571
Plan fiduciary net position as a percentage of the total OPEB liability	2.26%

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent, average, including inflation
Discount rate	2.66 percent
Investment rate of return	7.01 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00 percent for the 20/21 fiscal year, trending down to 4.50 percent

The discount rate was based on a blend of the long-term expected rate of return to the extent funded and the 20-year municipal bond rate.

Mortality rates were based on the 2020 CalSTRS experience study for certificated employees and the 2017 CalPERS experience study for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actual experience study for the period as of June 30, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global Equity	7.01%
Fixed Income	7.01%
Treasury Inflation-Protected Securities (TIPS)	7.01%
Real Estate Investment Trusts (REITs)	7.01%
Commodities	7.01%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.66 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2019	$ 44,862,388	$ 1,721,664	$ 43,140,724
Service cost	1,621,345	-	1,621,345
Interest	3,144,666	-	3,144,666
Differences between expected and actual experience	1,960,004	-	1,960,004
Contributions - employer	-	5,546,232	(5,546,232)
Net investment income	-	205,072	(205,072)
Changes of assumptions or other inputs	50,373,442	-	50,373,442
Benefit payments	(3,304,004)	(5,235,658)	1,931,654
Administrative expense	-	(3,040)	3,040
Net change in total OPEB liability	53,795,453	512,606	53,282,847
Balance at June 30, 2020	$ 98,657,841	$ 2,234,270	$ 96,423,571

The discount rate was changed from 7.01 percent to 2.66 percent since the previous valuation. The healthcare trend rate was changed from 5.50 percent to 7.00 percent trending downward to an ultimate rate of 4.50 percent since the previous valuation. Morbidity rates were updated based on the June 2013 Society of Actuaries Study entitled "Health Care Costs – From Birth to Death" and mortality, termination, and retirement assumptions for certificated participants were updated to reflect the CalSTRS 2020 experience study since the previous valuation. There were no changes in benefit terms since the previous valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (1.66%)	$ 103,946,616
Current discount rate (2.66%)	96,423,571
1% increase (3.66%)	89,275,572

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (6.00% for medical trending down to an ultimate rate of 3.50%)	$ 85,873,318
Current healthcare cost trend rate (7.00% for medical trending down to an ultimate rate of 4.50%)	96,423,571
1% increase (8.00% for medical trending down to an ultimate rate of 5.50%)	108,889,109

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of $7,624,542.

At June 30, 2020, 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 expected and actual experience in the measurement of the total OPEB liability	$ 2,235,762	$ -
Changes of assumptions	43,907,018	636,335
Difference between projected and actual earnings on actual OPEB plan investments	-	71,382
Total	$ 46,142,780	$ 707,717

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 6,667,912
2022	6,667,912
2023	6,694,291
2024	6,698,571
2025	6,700,017
Thereafter	12,006,360
	$ 45,435,063

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment 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 MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District contributions. In accordance with California Education Code Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2020, the District reported a liability of $1,011,907 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.2717 percent and 0.2527, respectively, resulting in a net increase in the proportionate share of 0.0190 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of $44,594.

Actuarial Methods and Assumptions

The June 30, 2019 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, 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 2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population (165,422).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	$ 1,104,222
Current discount rate (3.50%)	1,011,907
1% increase (4.50%)	927,028

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 948,459
Current Medicare costs trend rates (3.7% Part A and 4.1% Part B)	1,011,907
1% increase (4.7% Part A and 5.1% Part B)	1,138,642

Note 12 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District has coverage up to $55,000,000 for liability and tort risks. This coverage is subject to a $100,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of $800,000,000 (total pool value) with a $50,000 self-insurance retention. A property and equipment audit performed by the Joint Powers Authority is used to identify the aforementioned exposures. However, claims against the property coverage would use current replacement value to respond to a covered event. Employee health benefits are covered by the employees enrolling in either one of two health maintenance organizations or in the District's self-insured health plan. The District's self-insured limit for the self-insured plan is $100,000, and it purchases insurance coverage for the excess claims. The District purchases coverage for the dental benefits from a joint powers authority.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2020, the District contracted with the Southern California Schools Risk Management (SCSRM) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2019-2020, the District participated in the Southern California Schools Risk Management Fund Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first $500,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / JPA Name	Type of Coverage	Limits
Southern California Schools Risk Management (SCSRM)	Workers' Compensation	$ 500,000
Southern California Schools Risk Management (SCSRM)	Excess Worker's Compensation	$ 1,000,000
Southern California Schools Risk Management (SCSRM)	General Liability	$ 2,000,000
Schools Excess Liability Fund (SELF)	Excess Liability	$ 55,000,000
Southern California Schools Risk Management (SCSRM)	Property	$ 800,000,000

Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of the claim's flow. The Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate costs of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience. The estimated liabilities are calculated using historical experience and internal actuarial analysis.

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2018 to June 30, 2020:

	Self-Insurance
Liability Balance, July 1, 2018	$ 4,545,682
Claims and changes in estimates	10,863,994
Claims payments	(10,027,479)
Liability Balance, June 30, 2019	5,382,197
Claims and changes in estimates	14,768,607
Claims payments	(12,449,858)
Liability Balance, June 30, 2020	$ 7,700,946
Assets available to pay claims at June 30, 2020	$ 21,334,451

The District records an estimated liability for indemnity healthcare, workers' compensation, torts, and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of the reported claims including future claim adjustment expenses and an estimate for claims incurred, but not reported based on historical experience. The estimated liabilities are calculated using an actuarial valuation of its self-insured medical benefits, workers' compensation, and general liability programs.

Employee Medical Benefits

The District has contracted with Kaiser Permanente, and Health Net, and also offers the RCCD Self-Insured PPO Health Plan to provide employee medical benefits. The District provides health and welfare benefits to all full-time and permanent part-time employees (20 hours or more) and their dependents. Those employees working less than full-time will receive a pro-rata share of the benefit package. Employees in positions less than 20 hours per week do not receive any fringe benefits.

- Medical - The employee has a choice of Kaiser Permanente, Health Net, or the RCCD Self-Insured PPO Health Plan. The employee may elect to change carriers once per year during open enrollment. Normally, such election shall be effective October 1 of each year.

- Dental - Delta Dental insurance coverage for employees and dependents shall be provided by the District. All employees shall participate in the program.

- Life Insurance - The District provides a $50,000 life insurance policy by a carrier designated by the District. All employees shall participate in this life insurance program.

Note 13 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2020, the District reported its proportionate share of the net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 138,729,236	$ 51,461,566	$ 14,749,581	$ 19,088,755
CalPERS	105,786,553	29,288,314	1,502,161	19,915,879
Total	$ 244,515,789	$ 80,749,880	$ 16,251,742	$ 39,004,634

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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, 2018, 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 nonemployer contributing entity to the STRP.

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after 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	17.10%	17.10%
Required State contribution rate	10.328%	10.328%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above, and the District's total contributions were $15,619,551.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
District's proportionate share of net pension liability	$ 138,729,236
State's proportionate share of net pension liability associated with the District	75,686,060
Total	$ 214,415,296

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.1536 percent and 0.1408 percent, respectively, resulting in a net increase in the proportionate share of 0.0128 percent.

For the year ended June 30, 2020, the District recognized pension expense of $19,088,755. In addition, the District recognized pension expense and revenue of $11,271,286 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 15,619,551	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	17,945,581	5,496,459
Differences between projected and actual earnings on the pension plan investments	-	5,343,893
Differences between expected and actual experience in the measurement of the total pension liability	350,218	3,909,229
Changes of assumptions	17,546,216	-
Total	$ 51,461,566	$ 14,749,581

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ (539,023)
2022	(4,242,421)
2023	(880,793)
2024	318,344
Total	$ (5,343,893)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 5,205,028
2022	5,205,027
2023	6,381,157
2024	5,974,549
2025	2,431,261
Thereafter	1,239,305
Total	$ 26,436,327

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.80%
Fixed income	12%	1.30%
Real estate	13%	3.60%
Private equity	13%	6.30%
Risk Mitigating Strategies	9%	1.80%
Inflation sensitive	4%	3.30%
Cash/liquidity	2%	-0.40%

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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 206,579,316
Current discount rate (7.10%)	138,729,236
1% increase (8.10%)	82,468,599

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, 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 age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after 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	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above, and the total District contributions were $10,790,367.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $105,786,553. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.3630 percent and 0.3459 percent, respectively, resulting in a net increase in the proportionate share of 0.0171 percent.

For the year ended June 30, 2020, the District recognized pension expense of $19,915,879. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 10,790,367	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,777,828	520,971
Differences between projected and actual earnings on the pension plan investments	-	981,190
Differences between expected and actual experience in the measurement of the total pension liability	7,684,350	-
Changes of assumptions	5,035,769	-
Total	$ 29,288,314	$ 1,502,161

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 968,543
2022	(1,934,634)
2023	(293,169)
2024	278,070
Total	$ (981,190)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 9,894,272
2022	5,713,653
2023	2,153,683
2024	215,368
Total	$ 17,976,976

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and services

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of Scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. 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	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 152,484,361
Current discount rate (7.15%)	105,786,553
1% increase (8.15%)	67,047,497

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2020, which amounted to $7,905,650 (10.328 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2020. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of these contributions has been recorded in these financial statements.

Deferred Compensation

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and Section 457. The plans, available to all District employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the Financial Agent, until paid or made available to the employee or other beneficiary.

The CalSTRS 403b Comply is the Financial Agent for the District.

Public Agency Retirement Services (PARS) - Alternate Retirement System

The Omnibus Budget Reconciliation Act of 1990 [Internal Revenue Code Section 3121 (b) (7) (F)] requires State and local public agencies to provide a retirement plan for all employees not covered under existing employer pension plans and/or Social Security.

The District is a member of the Public Agency Retirement Services (PARS), a multiple-employer retirement trust established in 1990 by a coalition of public employers. The plan covers the District's part-time, temporary, and other employees not covered under CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with various bargaining units. PARS is a defined contribution qualified retirement plan under Section 401 (a) of the Internal Revenue Code.

The minimum total contribution is 7.5 percent of employees' salaries, of which the employee contributes the total 7.5 percent. District employees are covered under PARS Plan #763 as of June 30, 2020. Total contributions to the plan amounted to $822,894.

Note 14 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the School Excess Liability Fund (SELF), the Riverside Community College - County Superintendent Self-Insurance Program for Employees (RCCCSSIPE), the Riverside Employers/Employees Plan (REEP), and the Southern California Schools Risk Management (SCSRM) Joint Powers Authorities (JPAs). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPAs is such that they are not component units of the District for financial reporting purposes.

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated. During the year ended June 30, 2020, the District made payments of $79,464, $34,800, $1,641,685, and $1,663,525 to SELF, RCCCSSIPE, REEP, and SCSRM, respectively.

Note 15 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial statements of the District at June 30, 2020.

Operating Leases

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are as follows:

Year Ending June 30,	Lease Payment
2021	$ 121,068
2022	115,342
2023	105,773
Total	$ 342,183

Construction Commitments

As of June 30, 2020, the District had the following budgetary commitments with respect to the unfinished capital projects:

Project	Estimated Cost to Complete	Percent Complete	Estimated Completion
Moreno Valley College - Student Services	$ 17,869,349	5.95%	FY 2021-2022
District - IT Upgrade	691,427	88.48%	FY 2020-2021
Norco College - Veterans Resource Center	3,974,453	8.63%	FY 2021-2022
	$ 22,535,229		

The projects are funded through a combination of general obligation bonds and capital project apportionments from the State Chancellor's Office, as well as private donations and redevelopment funding sources.

Note 16 - Subsequent Events

Subsequent to year end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

Required Supplementary Information
June 30, 2020

Riverside Community College District

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 1,621,345	$ 1,723,506	$ 1,751,284
Interest	3,144,666	2,976,284	2,928,661
Differences between expected and actual experience	1,960,004	701,697	-
Changes of assumptions	50,373,442	(846,693)	-
Benefit payments	(3,304,004)	(4,315,779)	(3,585,234)
Net changes in total OPEB liability	53,795,453	239,015	1,094,711
Total OPEB Liability - beginning	44,862,388	44,623,373	43,528,662
Total OPEB Liability - ending (a)	$ 98,657,841	$ 44,862,388	$ 44,623,373
Plan fiduciary net position			
Contributions - employer	$ 5,546,232	$ 4,679,405	$ 6,209,619
Net investment income	205,072	191,351	116,869
Benefit payments	(5,235,658)	(4,315,779)	(5,968,234)
Administrative expense	(3,040)	(2,718)	(2,197)
Net change in plan fiduciary net position	512,606	552,259	356,057
Plan fiduciary net position - beginning	1,721,664	1,169,405	813,348
Plan fiduciary net position - ending (b)	$ 2,234,270	$ 1,721,664	$ 1,169,405
District's net OPEB liability - ending (a) - (b)	$ 96,423,571	$ 43,140,724	$ 43,453,968
Plan fiduciary net position as a percentage of the total OPEB liability	2.26%	3.84%	2.62%
Covered payroll	$ 115,037,704	$ 84,110,182	$ 85,823,805
District's net OPEB liability as a percentage of covered payroll	83.82%	51.29%	50.63%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	10.87%	18.03%	4.51%

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

	2020	2019	2018
District's proportion of the net OPEB liability	0.2717%	0.2527%	0.2355%
District's proportionate share of the net OPEB liability	$ 1,011,907	$ 967,313	$ 990,620
District's covere payroll	N/A[1]	N/A[1]	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
District's proportion of the net pension liability	0.1536%	0.1408%	0.1301%	0.1386%	0.1322%	0.1408%
District's proportionate share of the net pension liability	$ 138,729,236	$ 129,401,609	$ 120,279,953	$ 112,090,120	$ 89,023,018	$ 82,251,502
State's proportionate share of the net pension liability associated with the District	75,686,060	74,088,473	71,156,604	63,810,906	47,083,363	49,667,008
Total	$ 214,415,296	$ 203,490,082	$ 191,436,557	$ 175,901,026	$ 136,106,381	$ 131,918,510
District's covered payroll	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932	$ 62,691,527
District's proportionate share of the net pension liability as a percentage of its covered payroll	156.59%	159.30%	163.79%	159.10%	140.43%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
District's proportion of the net pension liability	0.3630%	0.3459%	0.3150%	0.3277%	0.3284%	0.3371%
District's proportionate share of the net pension liability	$ 105,786,553	$ 92,235,592	$ 75,188,020	$ 64,730,434	$ 48,412,453	$ 38,273,998
District's covered payroll	$ 50,257,602	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160	$ 35,391,662
District's proportionate share of the net pension liability as a percentage of its covered payroll	210.49%	201.92%	187.32%	164.71%	133.64%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 15,619,551	$ 14,422,750	$ 11,721,821	$ 9,238,158	$ 7,559,706	$ 5,629,470
Contributions in relation to the contractually required contribution	15,619,551	14,422,750	11,721,821	9,238,158	7,559,706	5,629,470
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 91,342,404	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 10,790,367	$ 9,077,528	$ 7,094,279	$ 5,574,613	$ 4,655,732	$ 4,264,299
Contributions in relation to the contractually required contribution	10,790,367	9,077,528	7,094,279	5,574,613	4,655,732	4,264,299
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 54,715,111	$ 50,257,602	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

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

Changes of Assumptions - The discount rate assumption was changed from 7.01 percent to 2.66 percent since the previous valuation. The healthcare trend rate assumption was changed from 5.50 percent to 7.00 percent trending downward to an ultimate rate of 4.50 percent since the previous valuation. Morbidity rates were updated based on the June 2013 Society of Actuaries Study entitled “Health Care Costs – From Birth to Death” and mortality, termination, and retirement assumptions for certificated participants were updated to reflect the CalSTRS 2020 experience study since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB liability - MPP program and the Plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

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

Changes of Assumptions - The plan rate of investment return assumption was changed from 3.87 percent to 3.50 percent since the previous valuation.

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

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

Changes in Benefit Terms - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes of Assumptions - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

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.

Supplementary Information
June 30, 2020

Riverside Community College District

The Riverside Community College District was founded in 1916 and is comprised of an area of approximately 440 square miles located in the western portion of Riverside County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (ACCJC, WASC), which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

The District is currently comprised of three Colleges: Riverside City, Norco, and Moreno Valley Colleges.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Mary Figueroa	President	December 2020
Bill Hedrick	Vice President	December 2020
Jose Alcala	Secretary	December 2022
Virginia Blumenthal	Member	December 2022
Tracey Vackar	Member	December 2022

DISTRICT ADMINISTRATION

Dr. Wolde-Ab Isaac, Ph.D.	Chancellor
Mr. Aaron Brown	Vice Chancellor, Business and Financial Services
Dr. Jeannie Kim	Interim Vice Chancellor, Educational Services and Strategic Planning
Ms. Trinda Best	Interim Vice Chancellor, Human Resources and Employee Relations
Ms. Rebeccah Goldware	Vice Chancellor, Institutional Advancement and Economic Development

COLLEGE ADMINISTRATION

Dr. Gregory Anderson	President, Riverside City College
Dr. Monica Green	President, Norco College
Dr. Robin Steinback	President, Moreno Valley College

AUXILIARY ORGANIZATIONS IN GOOD STANDING

Riverside Community College District Foundation, established 1975
Master Agreement signed 2009, addendum in 2013
Launa Wilson, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Defense				
Procurement Technical Assistance For Business Firms	12.002		$ 383,843	$ -
U.S. Department of Labor				
WIOA Cluster				
Passed through State of California,				
Employment Development Department				
Workforce Accelerator Fund (WAF)	17.258	K9113044	66,664	-
Subtotal WIOA Cluster			66,664	-
Passed through American Association of Community Colleges				
Expanding Community College Apprenticeships	17.285	AP-33025-19-75-A-11	67,638	-
Total U.S. Department of Labor			134,302	-
National Foundation on the Arts and Humanities				
Passed through from California State Library				
Career Vision	45.310	40-8862	6,562	-
Research and Development Cluster				
National Science Foundation				
GP-Impact: Geoscientist Development	47.050		11,338	-
Flying with Swallows: Improve STEM Education at MVC	47.076		23,434	-
STEM En Familia	47.076		95,302	-
Norco College Apprenticeship Program	47.076		39,001	-
National Center for Supply Chain Automation	47.076		801,962	74,157
U.S. Department of Health and Human Services				
Passed through from Regents of the University of California, Riverside				
Agents of Change for a Healthier Tomorrow	93.884	S-000834	12,203	-
Bridges to the Baccalaureate Program	93.859	S-000965	19,758	-
Subtotal Research and Development Cluster			1,002,998	74,157
U.S. Department of Homeland Security				
Passed through California Governor's Office of Emergency				
Services and Agriculture				
Pre-Disaster Mitigation	97.047	[1]	10,052	-
State Homeland Security Grant	97.067	[1]	127,689	-
Total U.S. Department of Homeland Security			137,741	-
U.S. Department of Education				
COVID 19: Cares Act Higher Education Emergency Relief Fund				
(HEERF) Student Aid Portion	84.425E		2,568,500	-
COVID 19: Cares Act HEERF Institutional Portion	84.425F		614,016	-
COVID 19: Cares Act HEERF Minority Serving Institutions (MSI)	84.425L		1,403	-
Subtotal			3,183,919	-
TRIO Cluster				
Student Support Services Program	84.042A		1,536,626	-
Talent Search	84.044A		350,664	-
Upward Bound Program	84.047A		1,632,943	-
Upward Bound Program - Math & Science	84.047M		362,560	
Subtotal TRIO cluster			3,882,793	-

See Notes to Supplementary Information

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
Student Financial Assistance Cluster				
Federal Supplemental Education Opportunity Grants (FSEOG)	84.007		$ 1,260,689	$ -
FSEOG Administrative	84.007		84,736	-
Federal Direct Student Loans (Direct Loans)	84.268		3,174,365	-
Federal Work Study Program (FWS)	84.033		1,188,849	-
Federal Work Study Administrative	84.033		80,259	-
Federal Pell Grants (PELL)	84.063		50,978,824	-
Federal Pell Administrative	84.063		79,810	-
Subtotal Student Financial Assistance Cluster			56,847,532	-
Higher Education Act				
Title V - Accelerating Pathways to Graduation and Transfer	84.031S		582,096	-
Title V - Pathways to Access, Completion, Equity, and Success (PACES)	84.031S		383,418	-
Title V - Moreno Valley College Corrections Scenario Training	84.031S		1,816,758	-
Title V - Moreno Valley College STEM Project	84.031S		2,064,416	-
Title V - STEM Engineering Pathways	84.031C		1,625,597	-
Passed through from University Enterprise Corporation at CSUSB				
Title V - Here to Career	84.031S	GT16146	32,560	-
Subtotal			6,504,845	-
Career and Technical Education Act				
Passed through from California Community Colleges Chancellor's Office				
Career and Technical Education, Title I-B Regional Consortia Desert	84.048	13-156	219,304	-
Career and Technical Education, Title I-C	84.048A	19-C01-045	1,192,774	-
Career and Technical Education Transitions	84.048A	19-C01-045	121,308	-
Subtotal			1,533,386	-
Childcare Access Means Parents in School (CCAMPIS)	84.335A		25,276	-
Passed through Riverside County Superintendent of Schools				
College Connection II	84.010	C1007403	114,947	-
Passed through from California Department of Rehabilitation				
Workability	84.126A	29287	126,628	-
Total U.S. Department of Education			72,219,326	-
U.S. Department of Health and Human Services				
Passed through from California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	208,109	-
Foster & Kinship Care Education Program (FKCE)	93.658	[1]	44,830	-
Passed through from Yosemite Community College District				
Early Childhood Study - Consortium Grant	93.575	19-20-4165	23,293	-
Total U.S. Department of Health and Human Services			276,232	-
Total Expenditures of Federal Awards			$74,161,004	$ 74,157

[1] Pass-Through Identifying Number not available.

See Notes to Supplementary Information

	Program Entitlements			Program Revenues					
Program	Current Year	Prior Year	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
AB 86 Adult Education Block Grant	$ 540,527	$ 507,952	$ 1,048,479	$ 1,048,479	$ -	$ -	$ (532,255)	$ 516,224	$ 516,224
Basic Skills/ESL	1,411,430	1,289,107	2,700,537	2,700,537	-	-	(1,331,011)	1,369,526	1,369,526
CAI - Short Order Cooks Apprenticeship	100,000	-	100,000	-	-	-	-	-	-
Cal Grant B	12,040,915	-	12,040,915	12,040,915	-	-	-	12,040,915	12,040,915
California Apprenticeship Initiative	-	433,158	433,158	(46,842)	109,934	-	-	63,092	63,092
California Apprenticeship Initiative - Rural	-	499,593	499,593	-	53,882	-	-	53,882	53,882
California College Promise (AB 19)	1,659,214	245,960	1,905,174	1,905,174	-	-	(167,596)	1,737,578	1,737,578
CalWORKs	1,295,455	-	1,295,455	1,294,586	869	(23,815)	(52,260)	1,219,380	1,219,380
Campus Safety and Sexual Assault	28,115	29,214	57,329	57,328	-	-	(40,960)	16,368	16,368
CARE	297,193	-	297,193	297,193	-	-	(37,773)	259,420	259,420
CCAP STEM Pathways Academy Grant	-	1,666,666	1,666,666	333,333	-	-	(244,781)	88,552	88,552
CELL-Learning Lab	65,931	-	65,931	-	44,052	-	-	44,052	44,052
Certified Nursing Assistant Expansion	-	112,500	112,500	112,500	-	-	(311)	112,189	112,189
CFIS Reentry Program	113,636	-	113,636	45,454	36,225	-	-	81,679	81,679
Community College Basic Skills & Student Outcomes Transformation	-	-	-	(42)	42	-	-	-	-
Concurrent Enrollment Program Implementation	348,904	-	348,904	244,233	104,670	-	(230,242)	118,661	118,661
CTE Data Unlocked Initiative	-	50,000	50,000	50,000	-	-	(50,000)	-	-
Disabled Student Program & Services	3,408,832	-	3,408,832	3,408,832	-	-	-	3,408,832	3,408,832
Early Childhood Education Center	-	4,999,712	4,999,712	4,999,712	-	-	(4,999,712)	-	-
Enrollment Growth for ADN-RN	379,725	35,080	414,805	414,806	-	(13)	(120,287)	294,506	294,506
EOPS Set-Aside	-	36,523	36,523	46,106	-	-	-	46,106	46,106
EOPS Special Project Set-Aside	-	715,251	715,251	(184,749)	851,227	-	-	666,478	666,478
Ext Opp Prog and Serv - EOPS	2,198,122	-	2,198,122	2,198,122	-	-	(67,575)	2,130,547	2,130,547
Faculty and Staff Diversity	50,000	50,236	100,236	100,236	-	-	(75,699)	24,537	24,537
Financial Aid Technology	112,744	257,124	369,868	369,868	-	-	(141,437)	228,431	228,431
Foster Care Education Program	68,523	-	68,523	70,416	-	(1,893)	(9,986)	58,537	58,537
Foster Parent Pre-Training	274,296	-	274,296	143,455	189,378	(134,289)	-	198,544	198,544

Program	Program Entitlements Current Year	Program Entitlements Prior Year	Program Entitlements Total Entitlement	Program Revenues Cash Received	Program Revenues Accounts Receivable	Program Revenues Accounts Payable	Program Revenues Unearned Revenue	Program Revenues Total Revenue	Program Expenditures
GLS Campus Suicide Prevention Grant	$ 102,000	-	$ 102,000	-	$ 52,563	-	-	$ 52,563	$ 52,563
Go-Biz	327,601	104,733	432,334	66,122	78,166	-	-	144,288	144,288
Guided Pathways	926,031	1,351,284	2,277,315	2,277,316	-	-	(1,221,878)	1,055,438	1,055,438
Homeless & Housing Insecure Pilot Program	700,000	-	700,000	700,000	-	-	(686,544)	13,456	13,456
Hunger Free Campus Support Allocation	104,264	247,877	352,141	355,131	-	(38,589)	(158,115)	158,427	158,427
Innovation in Higher Education	-	1,600,113	1,600,113	1,600,113	-	-	(1,220,907)	379,206	379,206
Institutional Effectiveness Partnership	200,000	-	200,000	200,000	-	-	(199,554)	446	446
Instructional Equipment	344,397	274,224	618,621	618,621	-	-	(418,922)	199,699	199,699
K-12 Strong Workforce Program	18,524,158	19,150,329	37,674,487	37,674,487	-	-	(24,274,085)	13,400,402	13,400,402
K-12 Strong Workforce Program One-Time	-	71,429	71,429	57,143	-	-	(20,643)	36,500	36,500
K14 Pathways Technical Assistance Provider	285,000	-	285,000	228,000	-	-	(164,338)	63,662	63,662
Mental Health Services	-	249,316	249,316	39,316	89,573	-	(9,759)	119,130	119,130
Mental Health Support	-	191,713	191,713	191,713	-	-	(80,954)	110,759	110,759
Middle College High School - Norco	100,000	-	100,000	-	59,281	-	-	59,281	59,281
New Workforce Development Center	-	1,000,000	1,000,000	1,000,000	-	-	(1,000,000)	-	-
Nextup (CAFYES)	2,293,821	-	2,293,821	2,319,072	-	-	(338,187)	1,980,885	1,980,885
Online CTE Pathways Grant Program	367,855	-	367,855	33,656	77,524	-	-	111,180	111,180
QSSB Barriers to Bridges Program Development	5,000	-	5,000	5,000	-	-	-	5,000	5,000
SFAA - Base	466,777	-	466,777	466,777	-	-	(26)	466,751	466,751
SFAA - Capacity	1,043,421	-	1,043,421	1,043,420	-	-	(11,945)	1,031,475	1,031,475
Solano CC - Nasdaq	2,500	-	2,500	-	2,481	-	-	2,481	2,481
Song Brown Registered Nursing	-	118,351	118,351	43,351	75,000	-	-	118,351	118,351
Song Brown RN Special Program	64,220	85,855	150,075	19,517	57,642	-	-	77,159	77,159
SSSP Special Project Set-Aside	-	-	-	(4,030,197)	4,030,197	-	-	-	-
Staff Development - Classified	-	119,725	119,725	119,725	-	-	(119,725)	-	-
Staff Development - Academic	-	2,331	2,331	2,331	-	-	(421)	1,910	1,910
Strong Workforce Program - Local	3,495,814	6,222,930	9,718,744	9,718,744	-	-	(6,214,302)	3,504,442	3,504,442
Strong Workforce Program - Regional	8,869,435	16,176,431	25,045,866	25,045,866	-	-	(16,779,208)	8,266,658	8,266,658
Student Equity	3,627,327	2,111,183	5,738,510	5,738,510	-	-	(2,006,498)	3,732,012	3,732,012
Student Health and Wellness	-	906	906	906	1,500	-	(1,500)	906	906
Student Success & Support Program	6,199,860	772,073	6,971,933	6,971,932	-	-	(430,952)	6,540,980	6,540,980
Student Success Completion Grant (SSCG)	-	-	-	209,000	-	(209,000)	-	-	-
UMOJA Community Education Foundation	16,000	91,959	107,959	107,960	-	-	(12,553)	95,407	95,407

	Program Entitlements			Program Revenues					
Program	Current Year	Prior Year	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
Veteran Resource Center - Ongoing	$ 273,067	$ 129,252	$ 402,319	$ 402,320	-	$ (13,984)	$ (299,465)	$ 88,871	$ 88,871
Veterans Resource Center	1,000,000	-	1,000,000	1,000,000	-	-	(1,000,000)	-	-
Veterans Resource Center	-	1,651,765	1,651,765	1,651,765	-	-	(1,521,815)	129,950	129,950
Veterans Resource Center Vision for Success	-	96,608	96,608	(3,392)	73,479	-	-	70,087	70,087
Workforce Development Program	500,000	-	500,000	500,000	-	-	(500,000)	-	-
Total state programs				$ 128,023,877	$ 5,987,685	$(421,583)	$ (66,794,181)	$ 66,795,798	$ 66,795,798

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2019 only)			
1. Noncredit	16.95	-	16.95
2. Credit	2,955.11	-	2,955.11
B. Summer Intersession (Summer 2020 - Prior to July 1, 2020)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	17,575.20	-	17,575.20
(b) Daily Census Contact Hours	2,406.86	-	2,406.86
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	77.48	-	77.48
(b) Credit	2,086.18	-	2,086.18
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	3,772.23	-	3,772.23
(b) Daily Census Procedure Courses	2,683.52	-	2,683.52
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	31,573.53	-	31,573.53
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	499.74	-	499.74
F. Basic Skills Courses and Immigrant Education			
1. Noncredit	28.25	-	28.25
2. Credit	141.49	-	141.49
CCFS-320 Addendum			
CDCP Noncredit FTES	8.60	-	8.60

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 38,657,260	$ -	$ 38,657,260	$ 38,657,260	$ -	$ 38,657,260
Other	1300	38,423,742	-	38,423,742	38,423,742	-	38,423,742
Total Instructional Salaries		77,081,002	-	77,081,002	77,081,002	-	77,081,002
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	16,013,414	-	16,013,414
Other	1400	-	-	-	3,420,012	-	3,420,012
Total Noninstructional Salaries		-	-	-	19,433,426	-	19,433,426
Total Academic Salaries		77,081,002	-	77,081,002	96,514,428	-	96,514,428
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	34,062,512	-	34,062,512
Other	2300	-	-	-	2,134,385	-	2,134,385
Total Noninstructional Salaries		-	-	-	36,196,897	-	36,196,897
Instructional Aides							
Regular Status	2200	2,547,633	-	2,547,633	2,547,633	-	2,547,633
Other	2400	457,113	-	457,113	457,113	-	457,113
Total Instructional Aides		3,004,746	-	3,004,746	3,004,746	-	3,004,746
Total Classified Salaries		3,004,746	-	3,004,746	39,201,643	-	39,201,643
Employee Benefits	3000	32,241,322	-	32,241,322	71,338,191	-	71,338,191
Supplies and Material	4000	-	-	-	1,510,823	-	1,510,823
Other Operating Expenses	5000	-	-	-	17,983,952	-	17,983,952
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		112,327,070	-	112,327,070	226,549,037	-	226,549,037

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ 4,808,079	$ -	$ 4,808,079
Student Health Services Above Amount Collected	6441	-	-	-	43,989	-	43,989
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	5,882,558	-	5,882,558
Objects to Exclude							
Rents and Leases	5060	-	-	-	859,756	-	859,756
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	2,998,715	-	2,998,715
Employee Benefits	3000	-	-	-	1,829,180	-	1,829,180
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6400	-	-	-	-	-	-
Equipment - Replacement	6410	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	16,422,277	-	16,422,277
Total for ECS 84362, 50 Percent Law		$ 112,327,070	$ -	$ 112,327,070	$ 210,126,760	$ -	$ 210,126,760
Percent of CEE (Instructional Salary Cost/Total CEE)		53.46%		53.46%	100.00%		100.00%
50% of Current Expense of Education					$ 105,063,380		$ 105,063,380

Activity Classification	**Object Code**			**Unrestricted**	
EPA Revenue:	8630				$ 15,511,023
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 15,332,313	$ 178,710	$ -	$ 15,511,023
Revenues Less Expenditures					$ -

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2020.

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance and Retained Earnings		
General Funds	$ 53,134,001	
Special Revenue Funds	1,263,803	
Capital Outlay Projects	46,572,962	
Debt Service Funds	27,188,058	
Proprietary Fund	9,986,019	
Student Financial Aid Fund	786,760	
Total Fund Balance - All Governmental Funds		$ 138,931,603
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is:	629,847,663	
Accumulated depreciation is:	(223,000,262)	406,847,401
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(3,776,691)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consists of:		
Charges on refunding	12,829,484	
Aggregate net pension liability	80,749,880	
Aggregate net other postemployment benefits	46,142,780	
Total Deferred Outflows of Resources		139,722,144
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources at year-end consists of:		
Aggregate net pension liability	(16,251,742)	
Aggregate net other postemployment benefits	(707,717)	
Total Deferred Inflows of Resources		(16,959,459)

Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		$ (244,515,789)
Aggregate net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(97,435,478)
Long-term liabilities at year-end consist of:		
Bonds payable, net of premium	$(306,574,953)	
Compensated absences and load banking	(5,153,682)	
Less compensated absences already recorded in District funds	2,147,761	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general liability bonds to date is:	(11,549,467)	(321,130,341)
Total net position		$ 1,683,390

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's organization, governing board members, and administration members as of June 30, 2020.

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Riverside Community College District (the District) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Riverside Community College District, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of Riverside Community College District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate
The District has not elected to use the ten percent de minimis cost rate.

SEFA Reconciliation
The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenses, and Changes in Net Position, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Build America Bonds, Federal Pell Grants, and Federal Direct Loans funds that have been recorded in the current period as revenues that have not been expended as of June 30, 2020. In addition, Federal Supplemental Education Opportunity Grant (FSEOG) funds that in the previous period were recorded as revenues but were unspent. These unspent balances have been expended in the current period.

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Position		$ 76,296,172
Build America Bonds	N/A	(1,851,089)
Federal Pell Grants	84.063	(280,322)
Federal Supplemental Education Opportunity Grants (FSEOG)	84.007	2,255
Federal Direct Student Loans	84.268	(6,012)
Total expenditures of federal awards		$ 74,161,004

Schedule of Expenditures of State Awards

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

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

FTES is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionment payments of State funds to community college districts. This schedule provides information regarding the attendance measurements of students based on various methods of accumulating attendance data.

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

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides information about the District's EPA proceeds and summarizes the expenditures of EPA proceeds.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's audited financial statements.

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Independent Auditor's Reports
June 30, 2020

Riverside Community College District

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Riverside Community College District
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Riverside Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 9, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Eide Bailly LLP

Riverside, California
February 9, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
Riverside Community College District
Riverside, California

Report on Compliance for Each Major Federal Program
We have audited Riverside 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, 2020. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program
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, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Eide Bailly LLP

Riverside, California
February 9, 2021

Independent Auditor's Report on State Compliance

Board of Trustees
Riverside Community College District
Riverside, California

Report on State Compliance
We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements described in the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the State laws and regulations listed in the table below for the year ended June 30, 2020.

Management's Responsibility
Management is responsible for compliance with State laws and regulations as identified in the table below.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred in the table below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed in the table below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

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 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 and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

The District reports no Apportionment for Activities Funded From Other Sources; therefore, the compliance tests within this section were not applicable.

The District did not receive any funding through Proposition 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

Unmodified Opinion
In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table above that were audited for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Contracted District Audit Manual*, this report is not suitable for any other purpose.

Eide Bailly LLP

Riverside, California
February 9, 2021

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major Federal program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
TRIO Cluster	84.042A, 84.044A, 84.047A, 84.047M
COVID 19: Cares Act Higher Education Emergency Relief Fund (HEERF) Student Aid Portion, COVID 19: Cares Act HEERF Institutional Portion, COVID 19: Cares Act HEERF Minority Serving Institutions (MSI)	84.425E, 84.425F, 84.425L

Dollar threshold used to distinguish between type A and type B programs:	$ 2,224,830
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	Unmodified

None reported.

None reported.

None reported.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.

EideBailly

CPAs & BUSINESS ADVISORS

February 9, 2021

To the Board of Trustees
Riverside Community College District
Riverside, California

We have audited the financial statements of Riverside Community College District (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated February 9, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated February 25, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the District complied 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. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the District's major federal program compliance, is to express an opinion on the compliance for each of the Distict's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the District's internal control over compliance.

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We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's 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* dated February 9, 2021. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance dated February 9, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

> Management's estimate of the aggregate net other postemployment benefit (OPEB) liability, related deferred outflows of resources, deferred inflows of resources, and OPEB expense is based on the work performed by an actuary, utilizing projections of future benefit costs, actuarial assumptions such as inflation, benefit cost increases, mortality rates, and discount rates.

Management's estimate of the aggregate net pension liability, related deferred outflows of resources, deferred inflows of resources, and pension expense is based on the District's proportionate share of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) estimated net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, which were actuarially determined; utilizing projections of future contributions and future earnings, actuarial assumptions such as inflation, salary increases, mortality rates, and investment rate of return and discount rates in the determination of the final balances reported in the CalSTRS and CalPERS audited financial statements. The District's proportionate share was determined by calculating the District's share of contributions to the pension plan relative to the contributions of all participating entities in the plan.

Management's estimate of the claims liability is based on actuarial evidence provided by an actuary. We evaluated the key factors and assumptions used to develop the estimates for the claims liability in determining that it is reasonable in relation to the financial statements taken as a whole

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Primary Government	
Understatement of Cash in County Treasury (fair market value adjustment)	$766,731

Fair market value was not adjusted because gains or losses generally do not materialize due to the nature of the investment in the county treasury pool. Redemptions of this investment are generally at face value.

The effect of this uncorrected misstatement as of and for the year ended June 30, 2020, is an understatement of change in net position of $766,731, and understatement of net position of $766,731.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit**.**

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated February 9, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

The primary government financial statements include the financial statements of the Riverside Community College Development Corporation (the Corporation), a component unit of the District, which we considered to be a significant component of the primary government financial statements. Consistent with the audit of the primary government financial statements as a whole, our audit included obtaining an understanding of the Corporation and their environment, including internal control, sufficient to assess the risks of material misstatement of the primary government financial statements of the Corporation and completion of further audit procedures.

This report is intended solely for the information and use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California
February 9, 2021