



**Board of Trustees - Regular Meeting
Board of Trustees Governance Committee,
Teaching and Learning Committee, Planning and
Operations Committee, Facilities Committee and
Resources Committee
Tuesday, December 03, 2013 6:00 PM
Moreno Valley College, Student Academic
Services, General Assembly Room #121, 16130
Lasselle Street, Moreno Valley, CA 92551**

ORDER OF BUSINESS

Pledge of Allegiance

Anyone who wishes to make a presentation to the Board on an agenda item is requested to please fill out a "REQUEST TO ADDRESS THE BOARD OF TRUSTEES" card, available from the Public Affairs Officer. However, the Board Chairperson will invite comments on specific agenda items during the meeting before final votes are taken. Please make sure that the Secretary of the Board has the correct spelling of your name and address to maintain proper records. Comments should be limited to five (5) minutes or less.

Anyone who requires a disability-related modification or accommodation in order to participate in any meeting should contact the Chancellor's Office at (951) 222-8801 as far in advance of the meeting as possible.

Any public records relating to an open session agenda item that is distributed within 72 hours prior to the meeting is available for public inspection at the Riverside Community College District Chancellor's Office, Suite 210, 1533 Spruce Street, Riverside, California, 92507 or online at www.rccd.edu/administration/board.

I. COMMENTS FROM THE PUBLIC

Board invites comments from the public regarding any matters within the jurisdiction of the Board of Trustees. Due to the Ralph M. Brown Act, the Board cannot address or respond to comments made under Public Comment.

II. PUBLIC HEARING (NONE)

III. CHANCELLOR'S REPORT

- A. [Chancellor's Communications](#)
Information Only
- B. [Update on Health Benefits](#)
Information Only

IV. BOARD COMMITTEE REPORTS

- A. Governance

1. [Review of Administrative Procedure 2431, Chancellor Selection](#)
The Committee to review Administrative Procedure 2431.
- B. Teaching and Learning
 1. [Proposed Curricular Changes](#)
The Committee to review the proposed curricular changes for inclusion in the college catalogs and the schedule of class offerings.
 2. [Moreno Valley College Accreditation Self-Evaluation](#)
The Committee to review the Institutional Self-Evaluation Report of Educational Quality and Institutional Effectiveness for Moreno Valley College.
 3. [Norco College Accreditation Self-Evaluation](#)
The Committee to review the Norco College Institutional Self Evaluation of Educational Quality and Institutional Effectiveness.
 4. [Riverside City College Accreditation Self-Evaluation](#)
The Committee to review the Institutional Self-Evaluation Report of Educational Quality and Institutional Effectiveness for Riverside City College.
- C. Planning and Operations
 1. [Presentation of the Decade of Advancement Information Only](#)
- D. Resources
 1. [Measure C General Obligation Bond Presentation – Update and Planning for Future Series E and Series F Issuances Information Only](#)
 2. [2012-2013 Independent Audit Report for the Riverside Community College District](#)
The Committee to review the Riverside Community College District's independent audit reports for the year ended June 30, 2013 for the permanent file of the District.

3. [2012-2013 Independent Audit Report for the Riverside Community College District Foundation](#)

The Committee to review the Riverside Community College District Foundation's independent audit report for the year ended June 30, 2013 for the permanent file of the District.

4. [Resolution No.08-13/14 Designating Certain Products, Brands, and Services as District Standards](#)

The Committee to review Resolution Number 08-13/14 Designating Certain Products, Brands, and Services as District Standards for equipment and installation into District buildings as permitted by Public Contract Code §3400(b).

E. **Facilities**

1. [Firm Selection and Agreement Amendment 3 for the Culinary Arts Academy/District Office Building and Agreement Amendment 3 for the Henry W. Coil, Sr. and Alice Edna Coil School for the Arts Building Projects with LPA, Inc.](#)

The Committee to review the selection of LPA for FF&E Consulting Services for both the CAA/DO and CSA Building Projects; agreement amendment with LPA, Inc. in the amount of \$67,230.50 for the CAA/DO project; and agreement amendment 3 with LPA, Inc. in the amount of \$42,853.50 for the CSA project.

V. **OTHER BUSINESS**

A. [Selection of Chancellor Search Committee](#)

Recommend that the Board of Trustees appoint members for the Chancellor Search Committee.

VI. **CLOSED SESSION (NONE)**

VII. **ADJOURNMENT**



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[Agenda Item](#)

Agenda Item (III-A)

Meeting 12/3/2013 - Committee/Regular Board

Agenda Item Chancellor's Report (III-A)

Subject Chancellor's Communications

College/District District

Information Only

Background Narrative:

Chancellor will share general information to the Board of Trustees, including federal, state and local interests and District information.

Prepared By: Cynthia Azari, Interim Chancellor

Attachments:



Agenda Item (III-B)

Meeting 12/3/2013 - Committee/Regular Board

Agenda Item Chancellor's Report (III-B)

Subject Update on Health Benefits

College/District District

Information Only

Background Narrative:

At the November 25, 2013, Regular Board of Trustees Meeting the Board of Trustees requested an update on the Health Care Issue at each Board Meeting. The following represents an update from the Health Benefits Subcommittee.

The Diversity and Human Resources Department requested and received nominations for two representatives each from the Faculty, Classified, and Management groups to serve on the Sub Committee. Two meetings were scheduled on November 27, 2013 and December 3, 2013. The Committee agreed on the goals which include: Creating a Plan Document that is clear and understandable by all; Review of the grandfathering/ungrandfathering of health plans; and A review and interpretation of the prescription coverage used by Express Scripts.

The subcommittee began with discussing the grandfathering status and what is involved with changing to an ungrandfathered status. In addition the subcommittee discussed the review of the 1985 Plan Document together with a review of definitions that would be used throughout the revised Plan Document.

The Health Benefits Subcommittee will continue to meet to resolve the Health Care issues and will be bringing forth recommendations to the Board of Trustees as necessary to improve the overall Health Care Plans at the District.

Prepared By: Vicki Nicholson, Vice Chancellor (Interim), Diversity and Human Resources

Attachments:



Agenda Item (IV-A-1)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Governance (IV-A-1)
Subject	Review of Administrative Procedure 2431, Chancellor Selection
College/District	District
Funding	N/A
Recommended Action	Review Administrative Procedure 2431 and Provide Direction and/or Feedback

Background Narrative:

At the November 5, 2013 Board Committee meeting, an issue was raised by Student Trustee, Jared Snyder, regarding student representation for the Chancellor selection screening committee. It was requested that this issue be added to the agenda for this meeting.

Currently, AP 2431 indicates that one student representative will be nominated by ASRCC. Options for change include:

1. One student representative nominated collectively by the three college student senates;
2. Three student representatives, one from each college, nominated by their respective student senate; or
3. Have the elected student trustee serving at the time of the search committee selection serve as the student representative of the District.

A current copy of Administrative Procedure 2431 is attached for reference. Any revision suggestions regarding the above or any other areas of the Administrative Procedure, would be taken through the normal approval process and would apply to future Chancellor searches.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services
Ruth Adams, General Counsel

Attachments:

[12032013_Administrative Procedure 2431](#)

**Riverside Community College District Administrative
Procedure**

No. 2431

Human Resources

AP 2431 CHANCELLOR SELECTION

Reference:

Education Code Sections 70901.2, 70902 (b)(7) & (d) and 87100 et seq;
Title 5 sections 51023.5 and 53000 et seq;
Accreditation Standards III A.1, III A.3, IV A.2 and IV B.1.b., e., and j.

The process for hiring the Chancellor will be inclusive, participatory and transparent. The district and community will be informed and involved throughout the process through the distribution of regular progress reports and a dedicated webpage with up-to-date information.

Executive Search Firm

1. The Board of Trustees in consultation with the Vice Chancellor, Diversity and Human Resources may employ a search consultant to assist with the hiring process and recruit candidates.
2. Diversity and Human Resources Department will solicit proposals from executive search firms to assist the Board in filling the open position. After review of the proposals, the Board will select a firm to conduct the Chancellor search.

Chancellor Profile

1. Public forums with district constituencies (students, staff, faculty, management) and the community will be held to obtain suggestions for qualities, characteristics and desired/required qualifications for the Chancellor.
2. The Chancellor profile will be developed from these suggestions, reviewed by the search committee and finalized by the Board.

Job Announcement

The job announcement for the position shall be developed by the Diversity and Human Resources Department in collaboration with the Associate Vice Chancellor, Public Affairs & Institutional Advancement and shall include the following information:

1. The position profile, including qualities, characteristics and desired/minimum qualifications for the position
2. How to apply
3. "Review" of applications or closing date

Advertisements will appear in publications and websites such as, but not limited to:

Affirmative Action Register
CalJobs.Ca.gov
CCC Registry
Chronicle of Higher Education
Community College Times
Diverse Issues in Higher Education
HERC
HigherEdJobs.com
HispanicOutlook.com
InsideHigerEd.com
LatinosinHigerEd.com
Local Newspapers
tribalcollegejournal.org

Screening Committee Composition

The composition of the screening committee for the position of Chancellor will be determined by the Board and shall include representation broadly reflective of the district's constituencies and shall be comprised of the following with the ideal committee between 12 to 16 members:

1. Board of Trustee representatives selected by the Board and adopted Chair and Co-chair of the search committee
2. Faculty representatives nominated by each campus/college academic senate
3. Faculty representatives nominated by the CTA
4. Part-time faculty representative nominated by the CTA
5. Student representative nominated by ASRCC
6. Classified representative nominated by the CSEA
7. Confidential representative nominated by the Confidential Employees Group
8. Management representative nominated by the District Management Association
9. Foundation representative nominated by the RCCD Foundation Board
10. Community representatives selected by the Board, broadly reflective of the district

Search Committee Member Responsibilities

1. Assist in the search for Chancellor using the profile statement of qualities, characteristics and desired/minimum qualifications
2. Follow Equal Employment Opportunity guidelines and considerations as well as the federal, state and local regulations
3. Establish and follow the timetable for screening and interviewing that will bring recommendations to the Board by a certain date

4. Make periodic reports to the college constituents and community on the progress of the search (chair)
5. Evaluate and rate candidates
6. Interview candidates
7. Recommend, ideally, five to seven candidates, in unranked alphabetical order, to the Board of Trustees.

Committee members shall maintain strict confidentiality with regard to candidates, applicants, and nominees for the position throughout the entire hiring process and after the process is complete.

A committee member who fails to participate in the screening process or all interviews shall be removed from the committee.

Screening Committee Operating Procedures

1. The initial meeting of the screening committee shall be convened by the Search Committee Chair. The initial meeting will include EEO training, overview of the search process and confidentiality, review of the position profile, training in review of application materials and set tentative dates for screening and interviewing.
2. No additions or replacements to the committee membership shall be made subsequent to the initial meeting of the screening committee.
3. The screening committee shall develop the following for use in evaluating candidates against the chancellor profile:
 - a. Paper screening criteria and interview questions.
 - b. Parameters for conducting interviews

Screening of Applications and Selection of Candidates for Interview

1. The search consultant or Vice Chancellor, Diversity and Human Resources will receive applications and make all applications available to the screening committee.
2. The applications shall be independently assessed by each member of the screening committee, using the rating criteria developed by the committee. Committee members shall avoid any discussion of ratings, rankings, or recommendations of candidates until independent evaluations of all candidates have been completed by each committee member.
3. The committee will then discuss the ratings and evaluate the merits of the candidates to determine if there is an adequate pool of professionally qualified candidates with which to continue the selection process.
4. If the pool is deemed adequate by the committee, the committee shall proceed with the selection of candidates for interview.
5. If the pool is not deemed adequate by the committee, the committee shall discuss the matter with the Search Consultant, who shall determine the action to

be taken after consultation with the Vice Chancellor, Diversity and Human Resources or designee.

Selection of Candidates for Interview

1. The screening committee shall determine an initial pool of potential candidates for interview.
2. The search consultant or Vice Chancellor, Diversity and Human Resources shall establish an interview schedule and notify the candidates to be interviewed.
3. The Vice Chancellor, Diversity and Human Resources will contact each candidate confirming the interview appointment, place and time and provide other appropriate materials to all candidates.

Initial Interviews

- The circumstances of each interview shall be as similar as is practicable.
- Each candidate will be asked the same interview questions developed by the committee.
- Committee members shall avoid any discussion of ratings, rankings, or recommendations of the candidates until all interviews have been completed and independent evaluations have been completed by each committee member.

Selection of Finalists

1. The committee chair shall lead discussion, which shall focus on the strengths and weaknesses of the candidates to determine the candidates to be recommended as finalists.
2. The search consultant or Vice Chancellor, Diversity and Human Resources shall conduct reference and background checks of each of the recommended finalists, which shall include investigation of professional experience and personal qualities relevant to performance in the position. Following a discussion of the results of the reference checks, the committee shall make a final determination of the candidates to be recommended as finalists to the Board of Trustees.
3. The Board will review the finalists recommended by the committee and may:
 - a. Meet with the committee to clarify the reasons for the finalist recommendations.
 - b. Meet with the search consultant or Vice Chancellor, Diversity and Human Resources to review results of the reference and background checks
4. If, after discussion, the Board is not satisfied with the committee's recommendation, the Board may request the committee to reconsider. If, after reconsideration, the committee forwards the same recommendation, the Board will determine whether to continue the process.
5. If the Board is satisfied with the finalists recommended by the committee, the Board may:

- a. Interview recommended candidates, following the same process used for the “Initial Interviews”, to narrow the number of finalist before making a public announcement.
- b. Announce the finalist recommended by the committee to the public.

Public Forums

Public forums and/or site visits may be conducted as part of the hiring process for Chancellor.

1. Public forums shall be conducted to introduce candidates to the district’s constituents and the community.
2. If a site visit is conducted as part of the hiring process, the composition of the visiting team shall be determined by the Board.

Selection of Chancellor

The Board of Trustees will interview finalists for Chancellor.

1. On completion of the final interviews, the Board will make their selection of a candidate.
2. On acceptance by the selected candidate, the Board and the Vice Chancellor of Diversity and Human Resources and/or legal council will enter into contract negotiations with the candidate.
3. When a contract has been agreed to the Board will make a public announcement. The contract will be signed by the selected candidate and the President of the Board of Trustees.

Office of Primary Responsibility: Diversity and Human Resources Department

Also see Administrative Procedure 3410, titled Nondiscrimination and Administrative Procedure 3420, titled Equal Employment Opportunity

Date Approved: May 19, 2009



Agenda Item (IV-B-1)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Teaching and Learning (IV-B-1)
Subject	Proposed Curricular Changes
College/District	District
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees approve the proposed curricular changes for inclusion in the college catalogs and the schedule of class offerings.

Background Narrative:

Presented for the Board's review and consideration are proposed curricular changes. The District Curriculum Committee and the administration have reviewed the attached proposed curricular changes and recommend their adoption by the Board of Trustees.

Prepared By: Ray Maghroori, Provost/Vice Chancellor, Educational Services
Sylvia Thomas, Associate Vice Chancellor, Educational Services

Attachments:

[Proposed Curricular Changes_backup 112513](#)

Course	Title	Location
1. New Stand Alone Courses:		
This course is proposed to replace DAN-200 in the Pilates certificate since it will more accurately meet certification requirements for students to complete observation and supervised teaching:		
DAN-14	Internship in Pilates Education and Teaching	R
This course is proposed to prepare students to make informed financial decisions in their personal life as well as provide them with the economic rationale for doing so:		
ECO-10	Economics and Personal Decision-Making	R
This course is based on and helps prepare students for certification through the Manufacturing Skill Standards Council (MSSC):		
SCT-1	Introduction to Automated Warehousing	N
2. Major Course Modifications:		
The following modification is proposed to update Student Learning Outcomes (SLOs), course content, and course materials to be compliant with the Course Identification Number (C-ID) descriptor:		
ADJ-1	Introduction to the Administration of Justice	MNR
The following modification is proposed to update the course materials:		
ADJ-4	Legal Aspects of Evidence	MNR
The following modification is proposed to link the SLOs to the new General Education Student Learning Outcomes (GESLOs) and update the advisory skills:		
AML-11	Interpreting I	R
The following modification is proposed to link the SLOs to the new GESLOs:		
AML-12	Interpreting II	R
The following modification is proposed to link the SLOs to the new GESLOs and update the course description and advisory skills:		
AML-13	Interpreting III	R
The following modification is proposed to link the SLOs to the new GESLOs and update the advisory skills:		
AML-14	Interpreting IV/Practicum	R
The following modification is proposed to update the SLOs, Methods of Instruction (MOI), Methods of Evaluation (MOE), course materials and to add sample assignments:		
BUS-18B	Business Law II	MNR
The following modification is proposed to update the SLOs, course content, MOI, MOE, course materials and to add sample assignments:		
BUS-53	Introduction to Personal Finance	MNR
The following modifications are proposed to tie the SLOs to the new GESLOs and update the course materials:		
CHI-1	Mandarin Chinese 1	MNR
CHI-2	Mandarin Chinese 2	NR
CHI-11	Culture and Civilization	NR

Course	Title	Location
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The following modification is proposed to change the prerequisite to remove KIN-30 and to add a limitation on enrollment of “Proof of current CPR/First Aid certification,” and to tie the SLOs to the new GESLOs:

DAN-12	Kinesiology for Pilates/Dance	R
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The following modifications are proposed to match the C-ID descriptor by adding a prerequisite of “ENG-50 or 80 or eligibility for ENG-1A” and clarification in methods of evaluation language for this course to continue to be accepted as part of AA-T in English. It also establishes the necessary communication skills to complete the required method of evaluation: essay writing:

ENG-6	British Literature I: Anglo-Saxon through Eighteenth Century	MNR
ENG-7	British Literature II: Romanticism through Modernism/Post-Modernism	MNR
ENG-14	American Literature I: Pre-Contact through Civil War	MNR
ENG-15	American Literature II: 1860 to the Present	MNR
ENG-30	Children’s Literature	MNR

The following modification is proposed to update the SLO and course content in order to be compliant with the C-ID descriptor:

GEG-1L	Physical Geography Laboratory	MNR
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The following modifications are proposed to tie the SLOs to the new GESLOs and update the course materials:

GER-1	German 1	R
GER-2	German 2	R
GER-3	German 3	R
GER-11	Culture and Civilization	R
ITA-1	Italian 1	R
ITA-2	Italian 2	R
ITA-3	Italian 3	R
ITA-11	Culture and Civilization	R
JPN-1	Japanese 1	NR
JPN-2	Japanese 2	NR
JPN-3	Japanese 3	NR
JPN-4	Japanese 4	NR
JPN-11	Culture and Civilization	NR
KOR-1	Korean 1	R
KOR-2	Korean 2	R
KOR-11	Culture and Civilization	R
LAT-1	Latin 1	R
LAT-2	Latin 2	R

The following modifications are proposed to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:

MUS-28	Riverside Community Symphony	R
MUS-29	Concert Choir	MR

The following modification is proposed to remove the advisory of “Concurrent enrollment in MUS-29, 41,

Course	Title	Location
51, 69 or 81” and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-33	Vocal Jazz Ensemble	NR
The following modification is proposed to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-35	Vocal Music Ensembles	NR
The following modification is proposed to remove from the Limitation on enrollment “The ability to sight-read and perform music on a wind, percussion, string, or keyboard instrument” and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-36	Instrumental Chamber Ensembles	MR
The following modification is proposed to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-41	Chamber Singers	R
The following modification is proposed to remove from the Limitation on enrollment “Previous experience in performance of instrumental music “ and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-42	Wind Ensemble	R
The following modification is proposed to remove the Advisory of “MUS-42 recommended concurrent enrollment” and to remove from the Limitation on enrollment “Previous experience in performance of jazz literature” and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-44	Jazz Ensemble	R
The following modification is proposed to change the Limitation on enrollment from “Basic instrumental skills on a band instrument. Rehearsal and performance of music suitable for marching band. Marching skills emphasized” to “Audition on or before the first class meeting” and to update the course description, SLOs, content, MOI, MOE, and sample assignments to align with the C-ID descriptor:		
MUS-48	Marching Band	R
The following modification is proposed to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-50	Master Chorale	R
The following modification is proposed to remove from the limitation on the enrollment the wording “Ability to sightread and perform music on either a wind or percussion instrument” and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-55	Community Concert Band	R
The following modification is proposed to remove from the limitation on enrollment the wording “Previous experience with classical guitar” and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-77	Guitar Ensemble	MNR

Course	Title	Location
The following modification is proposed to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-P36	Piano Ensemble	R
The following modification is proposed to remove from the limitation on enrollment the wording “ Designing for students who are beginning or intermediate jazz performers” and to update the course description, SLOs, content, MOI, MOE, sample assignments and course materials to align with the C-ID descriptor:		
MUS-P44	Jazz Lab Band	NR
The following modification is proposed to update the course description, SLOs, course content, MOI, MOE, course materials and to add sample assignments:		
PHI-19	Native American Thought	R
The following is proposed to update the course description, course content, MOI, course materials and add sample assignments:		
PHY-4C	Heat, Light and Waves	MNR
The following modifications are proposed to tie the SLOs to the new GESLOs and update the course materials:		
POR-1	Portuguese 1	R
POR-2	Portuguese 2	R
RUS-1	Russian 1	R
RUS-3	Russian 3	R
RUS-11	Culture and Civilization	R

3. Course Deletions:

Program has been dormant for several years and prior enrollment has not been within minimum requirements:

BUS-61	Introduction to Insurance	R
BUS-62	Personal Insurance Principles	R
BUS-63	Principles of Property and Liability Insurance	R
BUS-64	Commercial Insurance Principles	R
BUS-65	Insurance Code and Ethics	R
BUS-66	Insurance Internship	R

4. New State Approved Degree:

Associate in Arts in Psychology for Transfer Degree (see attachment A)	MNR
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5. Modification to State/Locally Approved Certificates/Degrees:

The following is being modified to replace DAN-200 with DAN-14 (see attachment B):

Pilates/Dance Conditioning Instructor Certificate	R
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ATTACHMENT A
PROGRAM OUTLINE OF RECORD
NEW DEGREE

Associate in Arts in Psychology for Transfer Degree

College: MNR

The Associate in Arts in Psychology for Transfer degree is designed to prepare students who wish to transfer for the purposes of pursuing studies in psychology. Specifically, this degree allows students to complete various lower division courses in preparation for obtaining a baccalaureate degree in psychology at a California State University.

Program Learning Outcomes:

Upon successful completion of this program, students should be able to:

- Apply the basic tenets of psychology to the study of more in depth topics in upper division courses
- Distinguish between the main theoretical perspectives in psychology
- Analyze the primary subfields of psychology and gauge their contributions to the understanding of behavior, cognition, and emotion

<u>Required Courses (20 units)</u>		<u>Units</u>
PSY-1*	General Psychology	3
PSY-2*	Biological Psychology	3
PSY-9*	Developmental Psychology	3
PSY-50*	Research Methods	4
MAT-12/12H*	Statistics	4
Electives	List A	3
<u>LIST A (3 units)</u>		
PSY-8*	Introduction to Social Psychology	3
PSY-33*	Theories of Personality	3
PSY-35*	Abnormal Psychology	3

*Courses may be double counted within CSUGE/IGETC.

Associate in Arts

The Associate in Arts in Psychology for Transfer degree will be awarded upon completion of coursework totaling 60 California State University (CSU) transferable units including the major requirements and the Intersegmental General Education Transfer Curriculum (IGETC) or California State University General Education (CSUGE) requirements with a minimum grade point average of 2.0. All courses in the major must be completed with a grade of "C" or better.

ATTACHMENT B
PROGRAM OUTLINE OF RECORD
Certificate Modification

Pilates Dance/Conditioning Instructor Certificate

College: Riverside City College

The Pilates/Dance Conditioning Instructor certificate is designed to prepare individuals to teach the Pilates Method of body conditioning using the full-range of Pilates apparatus as well as the mat work repertoire, the foundation of the Pilates Method. Individuals will be trained to work with beginning to advanced level students as well as with special populations including dancers and athletes.

Emphasis is on both academic and practical experience. Taught by certified Pilates instructors, students completing the certificate will be trained to teach at privately-owned Pilates and dance studios, fitness/health clubs as well as physical therapy settings where Pilates is offered.

Program Learning Outcomes:

Upon successful completion of this program, students should be able to:

- Demonstrate and/or identify beginning to advance Pilates exercises for mat and apparatus.
- Describe the principles as developed by Joseph H. Pilates and their relevance to a Pilates program.
- Design a lesson plan for mat work and apparatus.
- Teach a properly constructed Pilates class using appropriate cueing and demonstration.
- Identify common alignment problems and teach proper modifications and/or solutions.
- Identify kinesiological principles of correct biomechanics for all Pilates exercises.

<u>Required Courses:</u>		<u>Units</u>
DAN-12	Kinesiology for Pilates Instructors/Dancers	3
DAN-13	Pilates Methodology	2
DAN-14	Internship in Pilates Education and Teaching	4
DAN-D46	Pilates Mat Work	1
DAN-D48	Reformer Technique	1
DAN-D49	Intermediate Pilates	1
DAN-D50	Pilates for Dancers	1
DAN-D51	Advanced Pilates	1
Electives	(Select 3 units from one of the emphases below)	

<u>Dance/Athletes Emphasis (3 units)</u>		<u>Units</u>
DAN-D21	Ballet, Beginning	1
DAN-D22	Ballet, Intermediate	1
DAN-D32	Jazz, Beginning	1
DAN-D33	Jazz, Intermediate	1
DAN-D37	Modern Dance, Beginning	1
DAN-D38	Modern Dance, Intermediate	1
KIN-16	Introduction to Athletic Training	3
KIN-43	Personal Training	3

<u>General Lifestyle Management Emphasis (3 units)</u>		<u>Units</u>
KIN-4	Nutrition	3
KIN-35	Foundation for Fitness and Wellness	3
KIN-36	Wellness: Lifestyle Choices	3

Total Units

17

This certificate may lead to employment competency, but does not lead to an Associate in Science Degree.



Agenda Item (IV-B-2)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Teaching and Learning (IV-B-2)
Subject	Moreno Valley College Accreditation Self-Evaluation
College/District	Moreno Valley
Funding	
Recommended Action	It is recommended that the Board of Trustees accept the Institutional Self-Evaluation Report of Educational Quality and Institutional Effectiveness for Moreno Valley College.

Background Narrative:

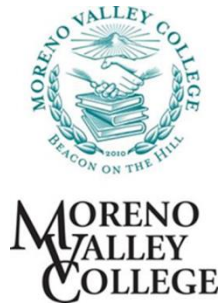
Presented for the Board's review and consideration is the Institutional Self-Evaluation Report of Educational Quality and Institutional Effectiveness for Moreno Valley College in support of the reaffirmation of the college's accreditation. The report will be submitted to the Accrediting Commission for Community and Junior Colleges (ACCJC) in January 2014.

Prepared By: Sandra Mayo, President, Moreno Valley College
Robin Steinback, Vice President, Academic Affairs

Attachments:

[College Reports Accreditation Presentation](#)
[Moreno Valley College Accreditation Presentation](#)
[Moreno Valley College Self-Evaluation Report](#)

College Reports on 2013 Self-Evaluation for Reaffirmation of Accreditation



NORCO
COLLEGE



Susan Mills & Tom Allen, RCC

Diane Dieckmeyer & Arend Flick, NC

Robin Steinback & Sheila Pisa, MVC

Topics for Today

- What is accreditation and why it is important?
- College Status Reports
 - Progress on Past Recommendations
 - Highlights by Standard
 - Improvement Plans
- What can we expect from the Site Visit and beyond?

Accreditation is

- a system of review that provides quality assurance to the public and promotes institutional improvement in higher education practice
- a system that assures the education earned is of value to the student who earned it and employers, trade or profession-related licensing agencies, and other colleges and universities can accept a student's credential as legitimate
- accomplished through a process of institutional self evaluation, culminating in a visit by the Accrediting Commission for Community and Junior Colleges (ACCJC)

Three colleges, but similar processes

- 18 month timeline for completion
- Accreditation Steering Committees with broad representation
- Multiple retreats
- On-going steering committee meetings
- Document distributed college-wide for input
- Transparency and dialogue
- Implemented shared governance system for approvals process

What is Next?

Timeline/Touchstones

Events/Tasks

- March 3 – 6, 2014

Site Visit

- March - April

Team Generated Report

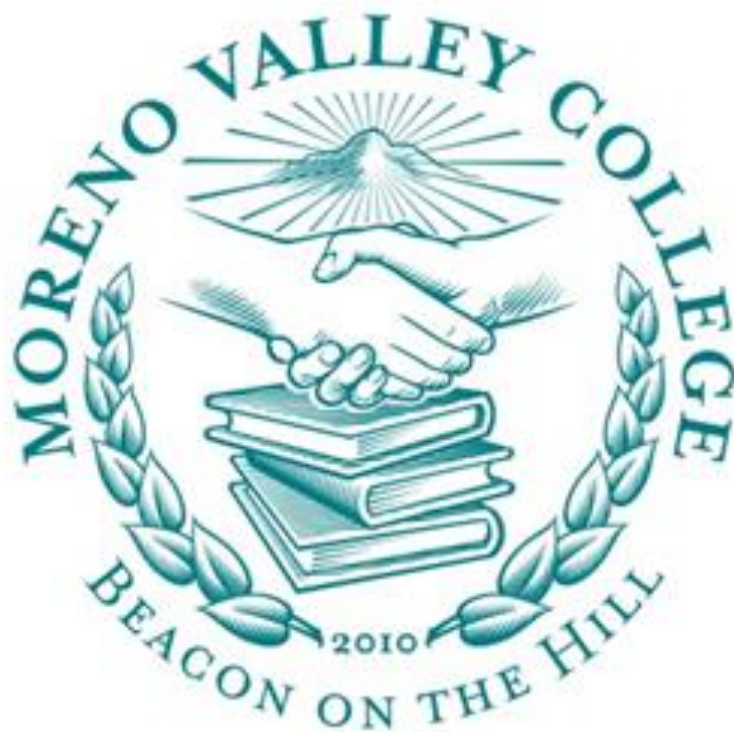
Fact Checking of Report

- Early June 2014

ACCJC Meeting

- Late June, Early July

Action Letters Sent to
Colleges



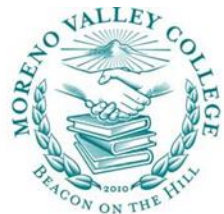
SELF EVALUATION REPORT IN SUPPORT OF REAFFIRMATION OF ACCREDITATION

Presentation to the Board of Trustees

December 3, 2013

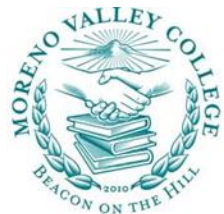
Responses to Prior Recommendations

- Revised Integrated Strategic Plan (2010 - 2015)
- Comprehensive Master Plan (2013 -)
- Linked Annual Program Review to College Goals and District/College Strategic themes(2013)
- Program review is basis for planning and resource allocation
- Implemented comprehensive student support services at BCTC
- Decentralized student services from District to College



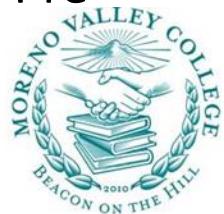
Standard I Highlights

- Revised college mission through college-wide input
- Evaluated, improved and adopted similar process for Annual Program Review process for Instruction, Student Services and Business Services
- Course SLO assessment has increased from 15% to over 80% of all courses assessed since 2010. Progress is being made on Program assessment for degrees and certificates.



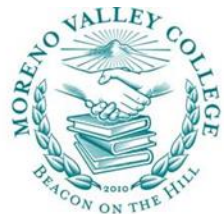
Standard II Highlights

- Strengthened partnerships with local high schools: Middle & Early College High School programs
- Faculty and staff care about student success: We have many exemplary programs based on dialogue about helping students become more successful, including: Puente, Renaissance Scholars, Accelerated math and English courses, Honors Program, supplemental instruction, and reading apprenticeship groups, faculty inquiry groups
- We have exemplary programs in Dental, EMS and Physician Assistant with above average rates in national or state certification tests
- The curriculum committee excellent support for shared curriculum and processes and policies/procedures for Distance Education, Course Prerequisites, and course repetition policies
- Comprehensive student services now provided at BCTC



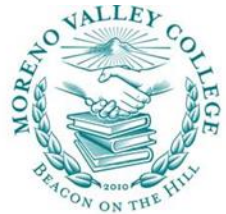
Standard III Highlights

- Value and celebrate diversity through many college activities
- College hiring processes follow program review needs
- Implemented revised District Budget Allocation Model & refining the connection between college planning and college resource allocation
- Classroom technology improvements in new and existing facilities
- Facility development reflects educational program and student needs



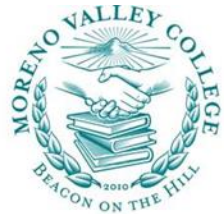
Standard IV Highlights

- The governance committees have revised responsibilities, constituencies, and relationships to each other
- All parts of the college community are involved in this process



Actionable Improvement Plans

- Regular review, dialog, communication, documentation, and continual improvement of processes for institutional effectiveness
- Improve Learning Outcome evaluation of programs and degrees
- Improve technology upgrades
- Implement Comprehensive Master Plan



[Moreno Valley College Self-Evaluation Report](#)



Agenda Item (IV-B-3)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Teaching and Learning (IV-B-3)
Subject	Norco College Accreditation Self-Evaluation
College/District	Norco
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees approve the Norco College Institutional Self Evaluation of Educational Quality and Institutional Effectiveness.

Background Narrative:

Presented for the Board's approval is the Institutional Self Evaluation of Educational Quality and Institutional Effectiveness in support of the reaffirmation of the College's accreditation. The report will be submitted to the Accrediting Commission for Community and Junior Colleges in December 2013 in preparation for a site visit in March 2014.

Prepared By: Paul Parnell, President, Norco College
Diane Dieckmeyer, Vice President, Academic Affairs

Attachments:

[Accreditation Presentation](#)
[Norco College Accreditation Self-Evaluation](#)



Norco College
SELF EVALUATION REPORT IN SUPPORT OF
REAFFIRMATION OF ACCREDITATION

Presentation to the Board of Trustees
December 3, 2013

Response to Prior Recommendations

1. Document a policy for integrated institutional planning, budgeting, and decision-making.

- ▶ SPC Policy 2010-01; revision of program review to align with strategic goals; reorganization of planning processes; regular budget updates; revised strategic plan; revised mission, vision and goals.

2. Substantive change proposal for distance education.

- ▶ Substantive Change proposal submitted for DE; upcoming Substantive Change proposal for IR partnership; online tutoring, counseling and library services for DE students; created senate Distance Ed committee; integrated DE resource needs into program review process.

3. Validate common examinations to ensure minimized test bias.

- ▶ Disproportionate impact studies completed in ESL, SPA 1, REA 81-83; test bias analysis for SPA 1.
-



Standard I. Highlights

▶ **I.A. Institutional Mission**

- ▶ Revision of mission statement (spring 2012)

▶ **I.B. Improving Institutional Effectiveness**

- ▶ Revised institutional strategic planning process (fall 2012)
 - ▶ New “Strategic Plan and Process 2013-2018”
 - ▶ Multiple college-wide opportunities for dialogue
 - ▶ Evaluations (CCSSE, Accreditation, etc.)
-



Standard II. Highlights

▶ **II.A. Instructional Programs**

- ▶ 7 Areas of Emphasis; 6 Associate Degrees for Transfer (6 more in development); 41 CTE programs
- ▶ Learning outcomes defined (and assessed); Gen Ed Outcomes revised; grant funded innovations (Gaming)

▶ **II.B. Student Support Services**

- ▶ All Student Support service units do annual program review and outcomes assessment
- ▶ New services for under-represented students (Summer Advantage, Foster Youth, Veterans, Rites to Thrive)

▶ **II.C. Library and Learning Support Services**

- ▶ Library and tutorial services are robust and assessed regularly; NetTutor online tutoring; Writing Lab
 - ▶ IMC relocated to Norco Operations Center
-



Standard III. Highlights

▶ **III.A. Human Resources**

- ▶ An inclusive campus environment (Legacy, ALLY, etc.)
- ▶ New Professional Development Committee

▶ **III.B. Physical Resources**

- ▶ CSS Building (2010), renovation of Student Services, recently approved Facilities Master Plan; STEM Center

▶ **III.C. Technology Resources**

- ▶ New Technology Strategic Plan and Technology Committee

▶ **III.D. Financial Resources**

- ▶ A strategic planning process that includes data-driven program review for all areas of the institution and drives resource allocation processes



Standard IV. Highlights

▶ **IV.A. Decision-Making Roles and Processes**

- ▶ Clearly defined processes for institutional decision making in which all stakeholders (faculty, administration, staff, students) participate
- ▶ Evaluation and feedback mechanisms in place for all committees and councils.

▶ **IV.B. Board and Administrative Organization**

- ▶ Board polices are consistent with college mission; board evaluates itself regularly
- ▶ College Accreditation survey in fall 2013 indicated that a great majority of staff and faculty agree that the president provides effective leadership for the college.



Actionable Improvement Plans

II.A.2.

Substantive Change Proposal to address partnership with International Rectifier.

II.B.2.d.

System for maintaining records of student complaint/grievances.

II.B.1.a.

Address the recommendations of the Information Technology Audit.

III.B.2.a.

Refine and develop a procedure for implementation of Total Cost of Ownership.

III.D.1.a.

The College president to communicate the impact of resource allocation to support student learning.



Questions?

Norco College Accreditation Self-Evaluation



Agenda Item (IV-B-4)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Teaching and Learning (IV-B-4)
Subject	Riverside City College Accreditation Self-Evaluation
College/District	Riverside
Funding	
Recommended Action	It is recommended that the Board of Trustees accept the Institutional Self-Evaluation Report of Educational Quality and Institutional Effectiveness for Riverside City College.

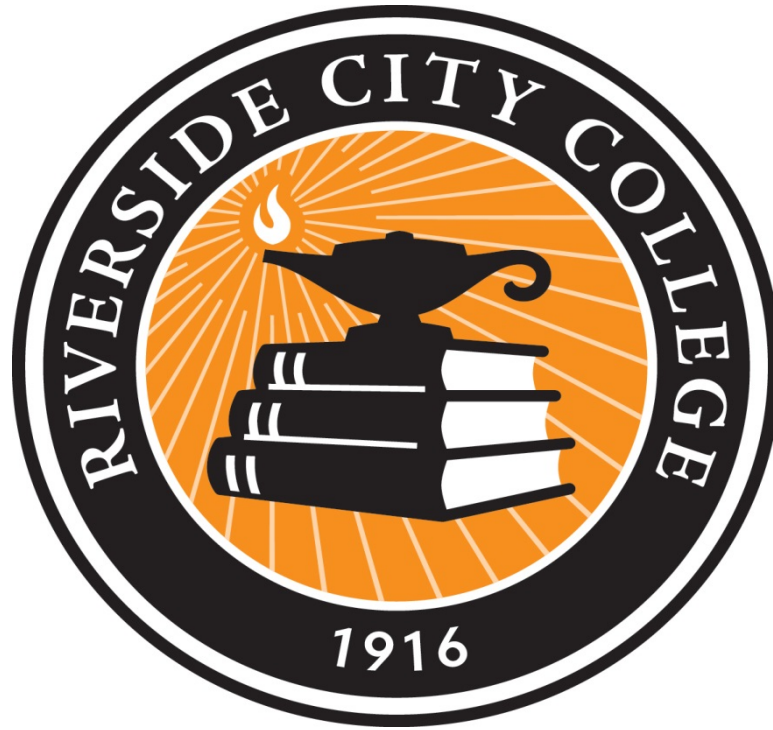
Background Narrative:

Presented for the Board's review and consideration is the Institutional Self-Evaluation Report of Educational Quality and Institutional Effectiveness for Riverside City College in support of the reaffirmation of the college's accreditation. The report will be submitted to the Accrediting Commission for Community and Junior Colleges (ACCJC) in December 2013.

Prepared By: Wolde-Ab Isaac, Interim President, Riverside
Susan Mills, Interim Vice President, Academic Affairs (Riverside)

Attachments:

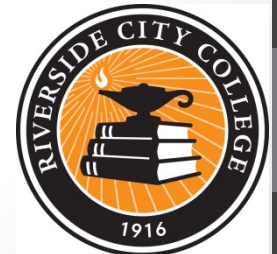
[Riverside Accreditation Presentation](#)
[Riverside City College Self Evaluation Report 11 25 13](#)



Riverside City College
Institutional Self Evaluation of Educational Quality and Institutional
Effectiveness
In Support of Reaffirmation of Accreditation
Presentation to the Board of Trustees
December 3, 2013

Responses to Prior Recommendations

- College Recommendation 1: Institutional Commitments and Evaluation, Planning, and Improvement
 - College developed and implemented mission statement review process
 - College revised strategic planning process, completed three annual cycles using revised process, assessed after each cycle, and implemented improvements
- College Recommendation 2: Student Learning Outcomes
 - College developed an Institutional Assessment Plan and embedded assessment into all facets of activities
- College Recommendation 3: Organization
 - College delineated roles, scope of authority, and responsibilities of all constituencies as well as reporting and feedback mechanisms for College and District committees



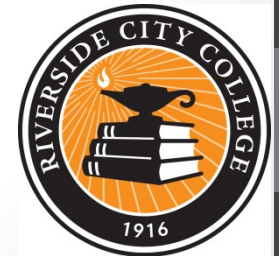
Standard I Highlights

- Developed and implemented Mission Statement Review Process
- Improved relationship between program review, annual unit planning, and Educational Master Plan
- Implemented Institutional Assessment Plan
- Developed standards and targets for planning



Standard II Highlights

- College currently has 138 academic programs
- College maintains high-quality student support services and library and learning support services.
- Developed and implemented 8 Associate Degrees for Transfer
- Implemented Completion Counts and Pathways to Excellence
- Developed Student Success Pathways Initiative



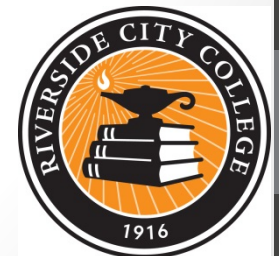
Standard III Highlights

- Provided numerous diversity activities and professional growth opportunities
- Completed significant physical resources projects
- Began implementation of Technology Plan
- Implemented revised District Budget Allocation Model



Standard IV Highlights

- Clarified committee structure and alignment
- Improved procedures for moving items or issues through decision-making process
- Revised College/District functional maps



Actionable Improvement Plans

Highlights

- Review achievement of initial targets and revise targets, along with goals and strategies, for the RCC Strategic Plan 2014-2019
- Implement the Pathways Initiative
- Enhance implementation of the Technology Plan and review/plan for life cycle costs of equipment
- Assess the revised District Budget Allocation Model and develop a College Budget Allocation Model
- Review, revise, and align committee structure
- Review and refine functional map as roles of college/district evolve



[Riverside City College Self-Evaluation Report](#)



[e-board](#) › [Agenda Item](#)

[Agenda Item](#)

Agenda Item (IV-C-1)

Meeting 12/3/2013 - Committee/Regular Board

Agenda Item Committee - Planning and Operations (IV-C-1)

Subject Presentation of the Decade of Advancement

College/District District

Information Only

Background Narrative:

Throughout the past decade Riverside Community College District has been continually advancing education by developing new learning environments and enhancing existing ones.

This presentation will highlight the "Decade of Advancement" showing how far Riverside Community College District and its colleges have transformed within the past ten years.

Prepared By: Chris Carlson, Chief of Staff & Facilities Development

Attachments:

[20131203 Decade of Advancement Presentation_r2](#)

RCCD

RIVERSIDE COMMUNITY
COLLEGE DISTRICT



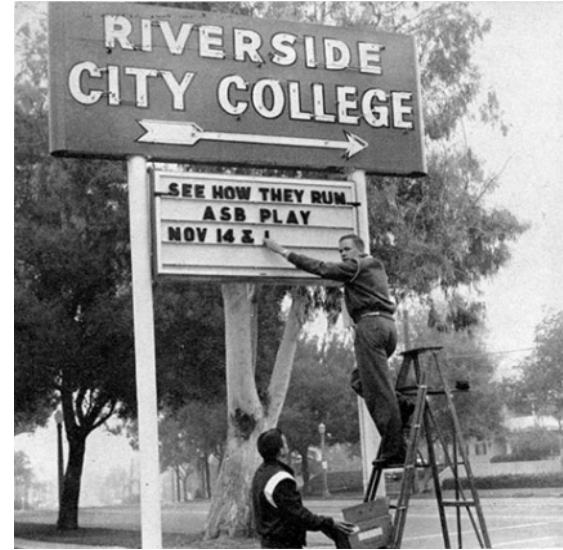
Presentation to the
Board of Trustees
December 3rd 2013



Counting towards 100 Years
March 13, 2016



Counting towards 25 Years



First Board of Trustees



RCC Staff 1935



A LOOK BACK AT THE HISTORY OF RCC/RCCD

- ❖ First opened in September 1916
- ❖ Started out with 114 students enrolled
- ❖ 7th oldest community college in California
- ❖ In 1924 state funded construction of the A.G. Paul Quadrangle began, which is now an historical landmark
- ❖ Coexisted with Riverside Polytechnic High School until 1965



A.G. Paul



G. Stanley Wilson

A.G. PAUL QUADRANGLE



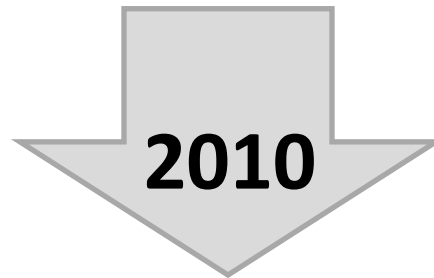
APPROVED: September 26, 1923

ARCHITECT: Stanley Wilson

Influenced by the 17th and 18th century Spanish and Italian architecture. Construction expanded in 1928 but was halted in 1932 until the conclusion of World War II



1 COLLEGE – 3 CAMPUSES



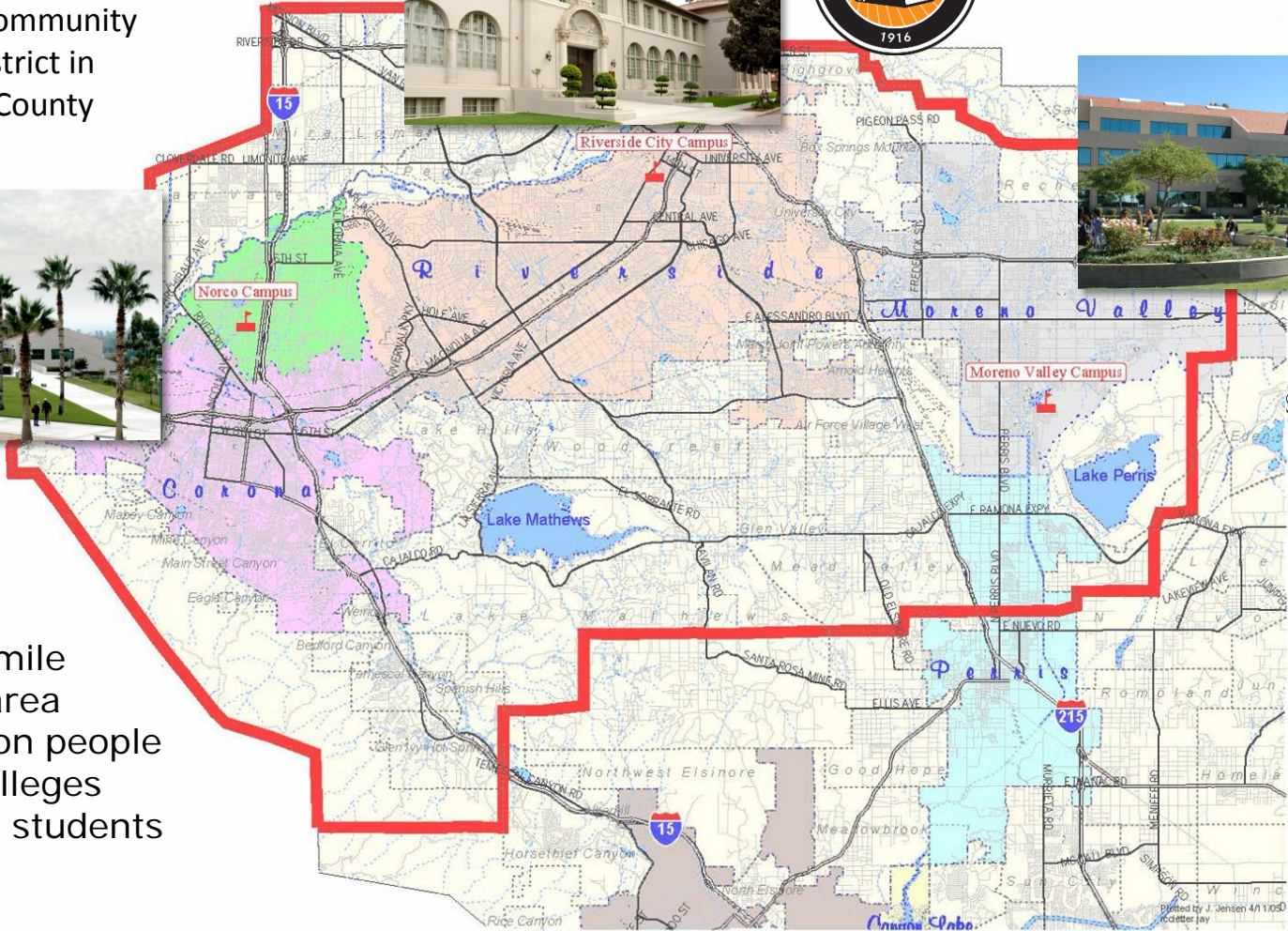
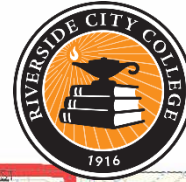
1 DISTRICT – 3 COLLEGES

Moreno Valley College (1991)	111th Community College in California
Norco College (1991)	112th Community College in California
Riverside City College (1916)	7th Community College in California



At-A-Glance

The largest community college district in Riverside County



- ✧ 450 sq. mile service area
- ✧ 1.4 million people
- ✧ Three colleges
- ✧ ~40,000 students



Exploring a Decade of Advancement 2003 - 2013

A DECADE OF ADVANCING EDUCATION THROUGH THE
DEVELOPMENT AND ENHANCEMENT OF NEW AND
EXISTING LEARNING ENVIRONMENTS



2004 - MEASURE C CAPITAL CONSTRUCTION

With Measure C, RCCD asked voters to invest in the community college's mission by approving a \$350 million general obligation bond to help RCCD modernize and improve classrooms and laboratories, to construct new learning facilities, to strengthen critical power and technology infrastructures, and to improve campus safety systems.

**MEASURE C IS A PROVEN INVESTMENT IN
STUDENTS & THE COMMUNITY'S COLLEGES.**

RCCD

RIVERSIDE COMMUNITY
COLLEGE DISTRICT



ADVANCING LEARNING ENVIRONMENTS

RIVERSIDE CITY COLLEGE

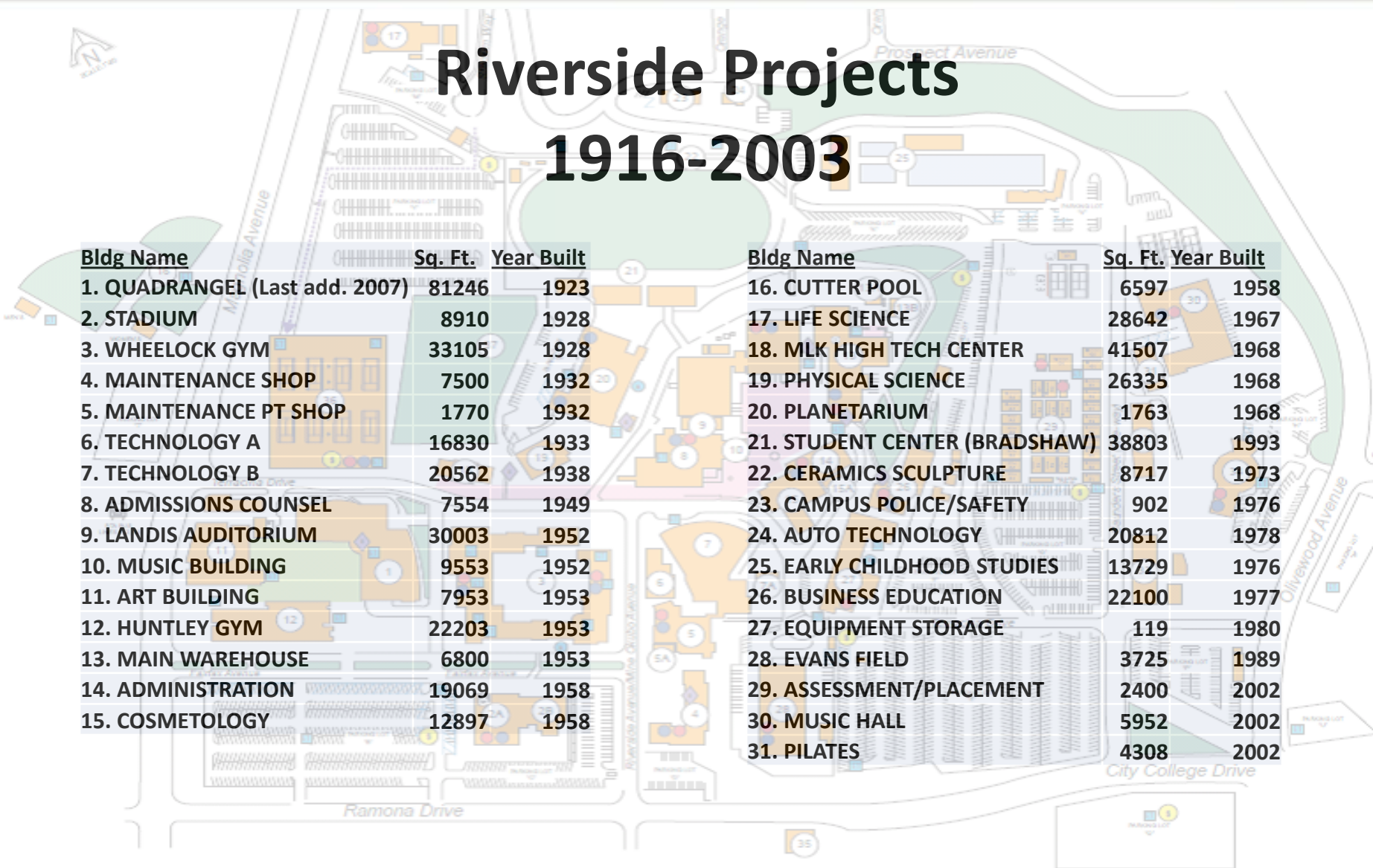
© 2011 RSCC



Riverside Projects 1916-2003

<u>Bldg Name</u>	<u>Sq. Ft.</u>	<u>Year Built</u>
1. QUADRANGEL (Last add. 2007)	81246	1923
2. STADIUM	8910	1928
3. WHELOCK GYM	33105	1928
4. MAINTENANCE SHOP	7500	1932
5. MAINTENANCE PT SHOP	1770	1932
6. TECHNOLOGY A	16830	1933
7. TECHNOLOGY B	20562	1938
8. ADMISSIONS COUNSEL	7554	1949
9. LANDIS AUDITORIUM	30003	1952
10. MUSIC BUILDING	9553	1952
11. ART BUILDING	7953	1953
12. HUNTLEY GYM	22203	1953
13. MAIN WAREHOUSE	6800	1953
14. ADMINISTRATION	19069	1958
15. COSMETOLOGY	12897	1958

<u>Bldg Name</u>	<u>Sq. Ft.</u>	<u>Year Built</u>
16. CUTTER POOL	6597	1958
17. LIFE SCIENCE	28642	1967
18. MLK HIGH TECH CENTER	41507	1968
19. PHYSICAL SCIENCE	26335	1968
20. PLANETARIUM	1763	1968
21. STUDENT CENTER (BRADSHAW)	38803	1993
22. CERAMICS SCULPTURE	8717	1973
23. CAMPUS POLICE/SAFETY	902	1976
24. AUTO TECHNOLOGY	20812	1978
25. EARLY CHILDHOOD STUDIES	13729	1976
26. BUSINESS EDUCATION	22100	1977
27. EQUIPMENT STORAGE	119	1980
28. EVANS FIELD	3725	1989
29. ASSESSMENT/PLACEMENT	2400	2002
30. MUSIC HALL	5952	2002
31. PILATES	4308	2002





DIGITAL LIBRARY AND LEARNING RESOURCE CENTER

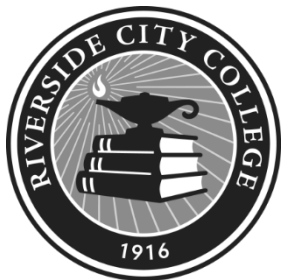
108,234 GSF / 72,681 ASF

\$25,515,000

2003

tBP Architecture

The four-story building is a seamless blend of technology, media, production and library functions offering the community and student services via Interactive Telecommunications and Distance Learning Systems





LOVEKIN PORTABLE COMPLEX (SWING SPACE)

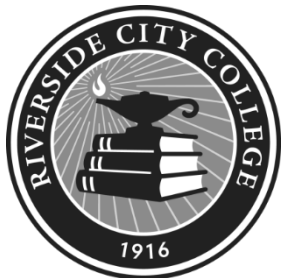
34,560 GSF / 29,735 ASF

\$3,670,040

2004

Hinkley & Associates

48 modular buildings served as swing spaces for classrooms relocated during the Quad Modernization project. Upon completion of the project, the Lovekin Complex continued to serve as a home for the Workforce Preparation program, staff and faculty offices and classrooms.





MLK RENOVATION

41,507 GSF / 25,677 ASF

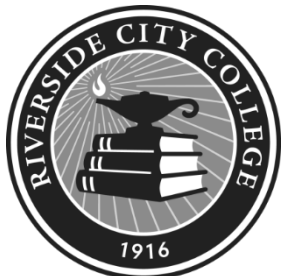
\$8,010,091

tBP Architecture

Perera Construction & Design, Inc.

2005

“High Tech Center” The Writing and Reading Center supports those students enrolled in classes within the English, Reading, and ESL disciplines and promotes literacy throughout the college by providing content-area reading and writing instruction.





PARKING STRUCTURE

450,000 GSF / ASF

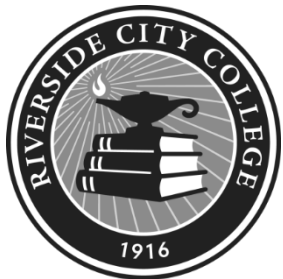
\$20,940,662

2006

International Parking Design, Inc.

Bomel Construction Company

The five-story Mediterranean-style parking structure provided the college with 1,120 much-needed parking spaces. Eight new tennis courts were built on top of the structure.





STOKOE INNOVATIVE LEARNING CENTER

16,000 GSF / 11,153 ASF

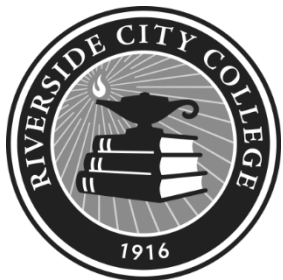
\$ 9,844,137

2008

Ph. I HMC Architects/ Ph. II Higginson +
Cartozian Architects, Inc.

Ph. I ProWest Constructors/ Ph. II Neff
Construction

In partnership with Alvord Unified School
District, Center developed to prepare future
teachers and other child development
professionals by providing an integrated
model for child development and teacher
education





FOOD SERVICES REMODEL

1,523 GSF

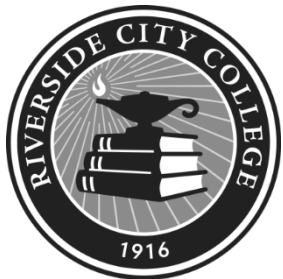
\$ 987,705

2009

Higginson + Cartozian Architects, Inc.

Hinkley & Associates

Redesign and modernization of food service facilities, based upon program reviews and operations planning by Provider Food Services.





A.G. PAUL QUADRANGLE MODERNIZATION

81,246 GSF / 46,134 ASF

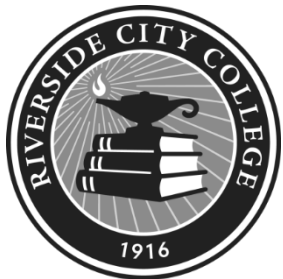
\$22,091,303

2010

The Steinberg Group

ACS (General Contractor)

Additions and renovations to the Renaissance-style quad were based on drawings by the college's original architect, G. Stanley Wilson, in 1923. The first two quad sections were built in 1924. A third wing was built years later. This project completed the fourth wing and added the originally designed clock tower





RIVERSIDE AQUATICS COMPLEX

3,738 GSF / 2,243 ASF

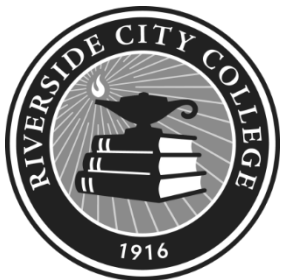
\$11,028,683

2011

AVRP Studios

Tilden Coil Constructors

Through a broad community partnership the complex includes a 65 meter all deep pool , Diving tower with 3, 5, 7.5 and 10 meter platforms, 1 meter and 3 meter springboards (2 each) poolside, Moveable bulkhead allows for up to three simultaneous activities, Competition Lighting, Locker rooms and team rooms.





WHEELOCK PE COMPLEX FIELD & GYM SEISMIC RETROFIT

33,105 GSF / 24,121 ASF

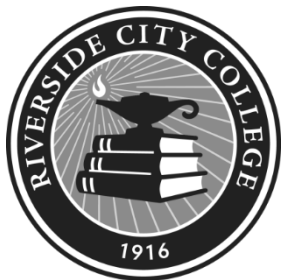
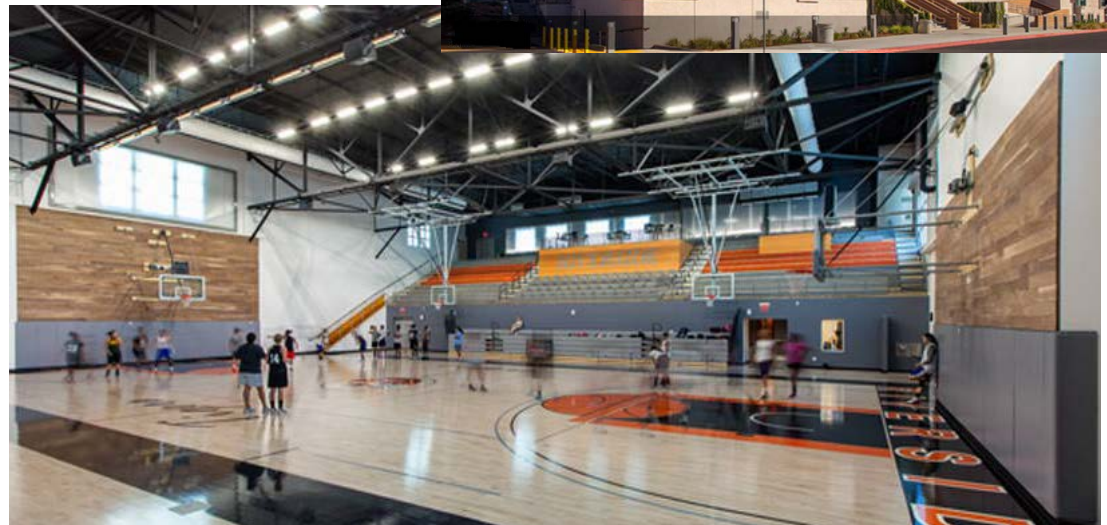
\$27,323,737

2012

GKK

Tilden Coil Constructors

Originally built in 1928, the 41,000 square foot facility received an interior/ exterior renovation that included essential seismic and ADA improvements. Additionally, the complex includes state of the art training facilities and artificial turf field.





SCHOOL OF NURSING, SCIENCE & MATH COMPLEX

131,450 GSF / 85,238 ASF

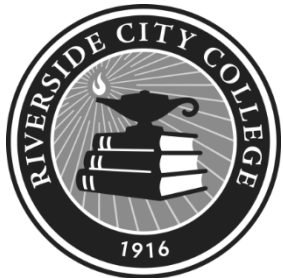
\$62,712,000

2012

GKK Works

Balfour Beatty Construction

The complex increases the college's capacity to train and graduate nurses, and meet the needs of science and math disciplines, through the development of state of the art labs, classrooms and faculty offices.





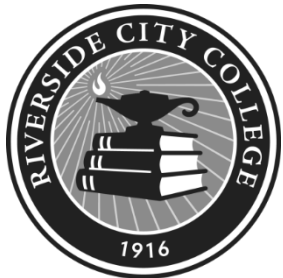
LOVEKIN PARKING/TENNIS COURT PROJECT

\$4,475,000.00

2013 / 2014

Higginson + Cartozian Architects, Inc.

Relocation of portable buildings, grading and construction of 10 new tennis courts, and restriping of parking structure. The project will also create an additional 220 parking spaces.





STUDENT SERVICES & ADMINISTRATION

43,000 GSF / 33,000 ASF

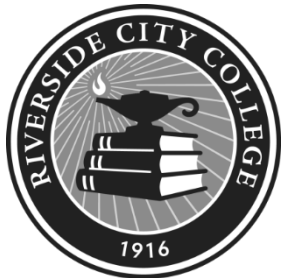
\$25,925,000

Construction 2014-2015

Higginson + Cartozian Architects, Inc.

Bernards Construction

The location will unify student services and administration into one location at the College's "front-door" along Magnolia Ave. The project will also provide an additional 500 parking spaces.





HENRY W. SR & ALICE EDNA COIL SCHOOL FOR THE ARTS

34,700 GSF / 24,290 ASF

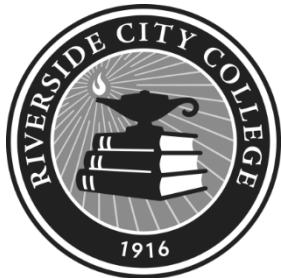
\$41,138,000

Construction Spring 2014-Spring 2016

LPA

Tilden Coil Constructors

Located in downtown Riverside, the project will provide state of the art 450 seat concert hall, music practice rooms, piano lab, recording rooms, MIDI lab, classrooms and faculty offices





LIFE SCIENCE / PHYSICAL SCIENCE REMODEL (FPP)

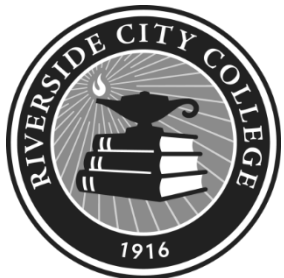
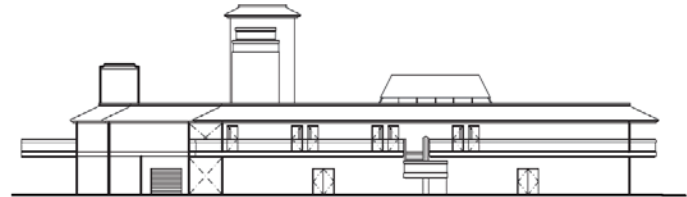
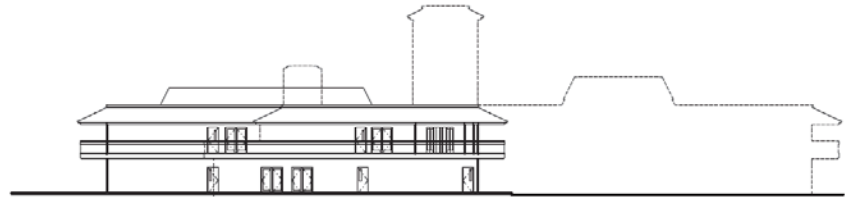
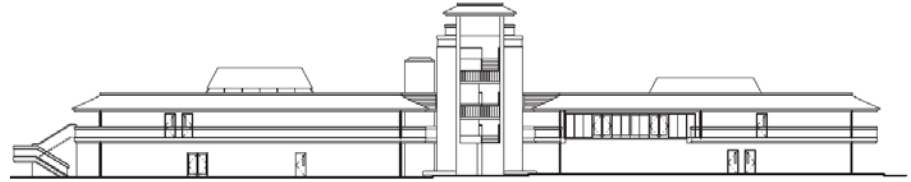
57,321 GSF / 38,000 ASF

\$34,618,000

2014/2016 State Bond

HMC Architects

This project modernizes the vacant building to allow for growth in the Business and Information Systems programs. In addition to reconfiguring teaching and learning spaces, the project will update the building antiquated infrastructure systems providing a quality-learning environment.





COSMETOLOGY BUILDING (FPP)

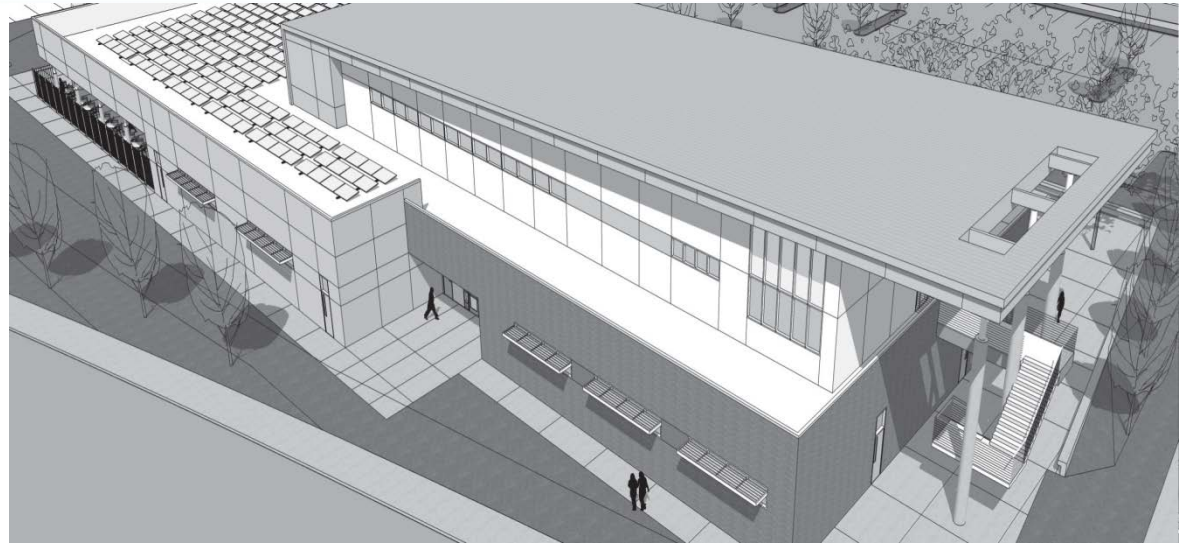
36,745 GSF / 23,878 ASF

\$20,290,000

2014/2016 State Bond

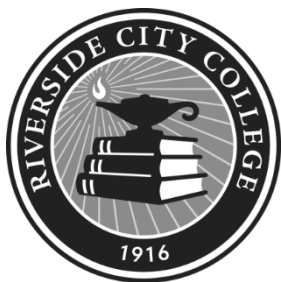
HMC Architects

The new two-story building will provide an enhanced learning environment for the growing enrollment in the cosmetology program. The new space will have 20,445 asf lab, 2,212 asf office, and 1,221 asf other usable space.



EXISTING
COSMETOLOGY
BUILDING TO BE
DEMOLISHED

NEW
COSMETOLOGY
BUILDING



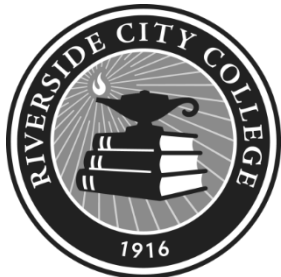


UNDERWAY/COMPLETED:

- ADA Upgrade
- 12 kV Loop
- Master / Long Range Plan
- Emergency Phones
- Modular Redistribution
- PBX Building
- Network Upgrades
- Scheduled Maintenance
- Utility Retrofit (NORESKO)
- MLK STEM Center Renovation (Title V Grant)

POTENTIAL/FUTURE:

- Café/Grab-n-Go
- Drainage Improvements
- Athletic Office Remodel
- Secondary Effects of SS/A
- Master Plan Update
- 5-Year CIP
 - Life/Physical Science Remodel (FPP)
 - Cosmetology (FPP)



OTHER PROJECTS

RCCD

RIVERSIDE COMMUNITY
COLLEGE DISTRICT



ADVANCING LEARNING ENVIRONMENTS

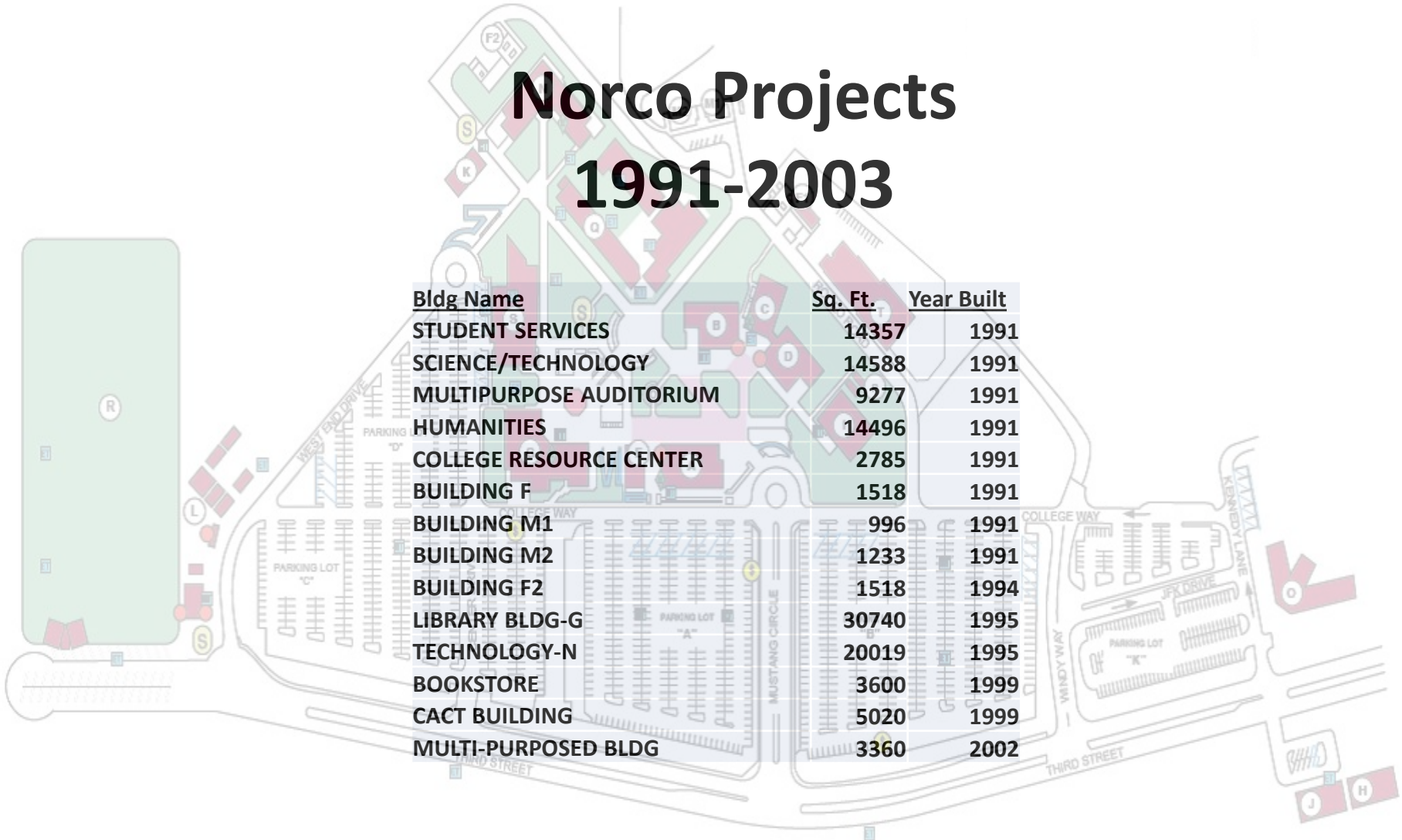
NORCO COLLEGE

Don Adams



Norco Projects 1991-2003

<u>Bldg Name</u>	<u>Sq. Ft.</u>	<u>Year Built</u>
STUDENT SERVICES	14357	1991
SCIENCE/TECHNOLOGY	14588	1991
MULTIPURPOSE AUDITORIUM	9277	1991
HUMANITIES	14496	1991
COLLEGE RESOURCE CENTER	2785	1991
BUILDING F	1518	1991
BUILDING M1	996	1991
BUILDING M2	1233	1991
BUILDING F2	1518	1994
LIBRARY BLDG-G	30740	1995
TECHNOLOGY-N	20019	1995
BOOKSTORE	3600	1999
CACT BUILDING	5020	1999
MULTI-PURPOSED BLDG	3360	2002





INDUSTRIAL TECHNOLOGY FACILITY

44,862 GSF / 28,787 ASF

\$ 28,800,284

2009

tBP Architecture

ProWest Constructors

Facility provides state of the art education classrooms and labs programs , including computer information; manufacturing; engineering; environmental science; logistics, new media and emerging technologies.





BRENDA AND WILLIAM DAVIS CENTER FOR STUDENT SUCCESS

25,025 GSF / 15,557 ASF

\$ 15,635,918

2010

Harley Ellis Devereaux

ProWest Constructors

The modern glass and steel building houses the Corral dining hall and store-front offices for the Career/Transfer center, Disabled Student Services, EOPS, and the Norco Voice student newspaper. Building features a state-of-the-art Faculty Innovation Center, conference facilities, and a formal digitally-equipped seminar room.





SOCCER FIELD / ARTIFICIAL TURF/LOCKER ROOMS

1,880 GSF / 1,045 ASF Locker rooms
\$ 3,904,973
2010
GKK Works
GKK Works
Project included synthetic turf soccer fields,
new parking lot, restrooms/team room/
concession facility and landscaping.





NORCO COLLEGE SECONDARY EFFECTS

5 buildings – 61,596 gsf / 41,732 asf

\$16,044,000

2012

Hill Partnership, Inc.

Tilden Coil Constructors

The project remodel addressed secondary effects of 5 buildings accommodating computer lab space, languages and reading and writing space, lecture rooms, health care office and storage room. Remodel of the campus police office, student services and administrative offices, and enlarged the testing center. Development of art gallery, art storage, music rooms and upgrade of science labs.





NORCO OPERATIONS CENTER

22,000 GSF

\$11,775,000

2013

Hill Partnership, Inc.

Tilden Coil Constructors

Facility includes a warehouse, offices, repair shops, storage and meeting space for maintenance and operations, instructional media support and Information Technology, a dedicated room to store building plans, a Network Operations Center (campus computer and phone systems) and EOC.





MULTIMEDIA AND ARTS CENTER (MAC) (FPP)

129,133 GSF / 83,676 ASF

\$78,762,000

2014/2016 State Bond

HMC Architects

Project is multimedia and arts center that will enable to college's fine and applied arts programs to grow along with the college. The state of the art facility will be constructed allow multiple instructional methodologies to be used for the benefit of student learning. Additionally, the 400 seat auditorium will allow students to put on visual performances as part of their instructional program.





COMPLETED:

- ADA Upgrade
- Early Childhood Ed. Ctr.
- Infrastructure Update
- Master / Long Range Plan
- Emergency Phones
- Modular Redistribution
- Network Upgrades
- Scheduled Maintenance
- Utility Retrofit (NORESKO)

UNDERWAY:

- DTSC Testing Wells
- Fuel Cell
- Master / Long Range Plan Update
- STEM Center (Title V)

POTENTIAL/FUTURE:

- 5-Year CIP
 - Multimedia Arts Complex (FPP)
 - Center for Human Performance & Kinesiology (FPP)
 - Library and Learning Resource Center (IPP)



OTHER PROJECTS

RCCD

RIVERSIDE COMMUNITY
COLLEGE DISTRICT



ADVANCING LEARNING ENVIRONMENTS

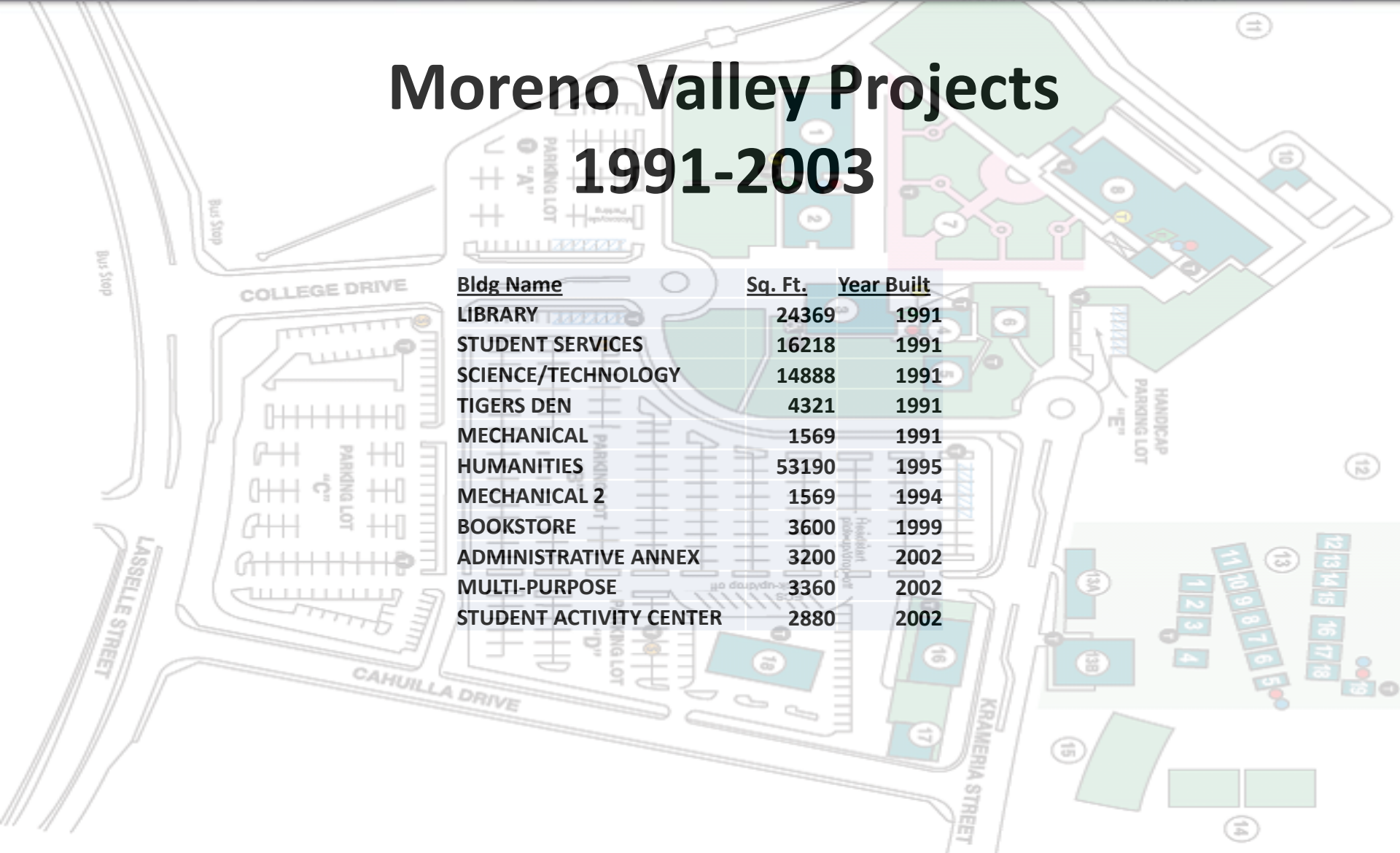
MORENO VALLEY COLLEGE

Artistic signature



Moreno Valley Projects 1991-2003

<u>Bldg Name</u>	<u>Sq. Ft.</u>	<u>Year Built</u>
LIBRARY	24369	1991
STUDENT SERVICES	16218	1991
SCIENCE/TECHNOLOGY	14888	1991
TIGERS DEN	4321	1991
MECHANICAL	1569	1991
HUMANITIES	53190	1995
MECHANICAL 2	1569	1994
BOOKSTORE	3600	1999
ADMINISTRATIVE ANNEX	3200	2002
MULTI-PURPOSE	3360	2002
STUDENT ACTIVITY CENTER	2880	2002





FOOD SERVICES REMODEL

4,321

\$2,654,335

2009

Higginson + Cartozian Architects, Inc.

Hinkley & Associates

Redesign and modernization of food service facilities, based upon program reviews and operations planning by Provider Food Services.





DENTAL EDUCATION CENTER

31,500 GSF / 14,378 ASF

\$9,914,549

2011

HMC Architects

Rudolph & Sletten (R&S)

Relocated top performing program to college,
from former March ARB. Facility houses
Dental Assistant and Hygiene Programs.
Center includes dental classrooms, clinic,
materials lab and office space.





LIONS LOT AND SITE IMPROVEMENTS (LGB)

144 Parking stalls / Roadway access

\$5,269,307

2011 (Lion's Lot)

LPA

C.W. Driver

Construction of 144 space parking lot and access road including demolition, grading, landscaping and other site improvements. Design and planning for the pre-construction of the Learning Gateway Building





STUDENT/ACADEMIC SERVICES

38,902 GSF

\$21,080,265

2013-2014

WWCOT/DLR Group

C.W. Driver

Facility provides an innovative and comprehensive services which promote student success by consolidating multifunctional Student Services and Administration, along with classrooms, faculty offices, and student services into a single location.





NETWORK OPERATIONS CENTER (NOC)

2135 GSF

\$3,024,082

2014

Higginson + Cartozian Architects, Inc.

CM TBD

House central telephone and network operations equipment, provide offices for information technology staff and support space for equipment repair, storage and staging new equipment.





LIBRARY LEARNING RESOURCE CENTER (FPP)

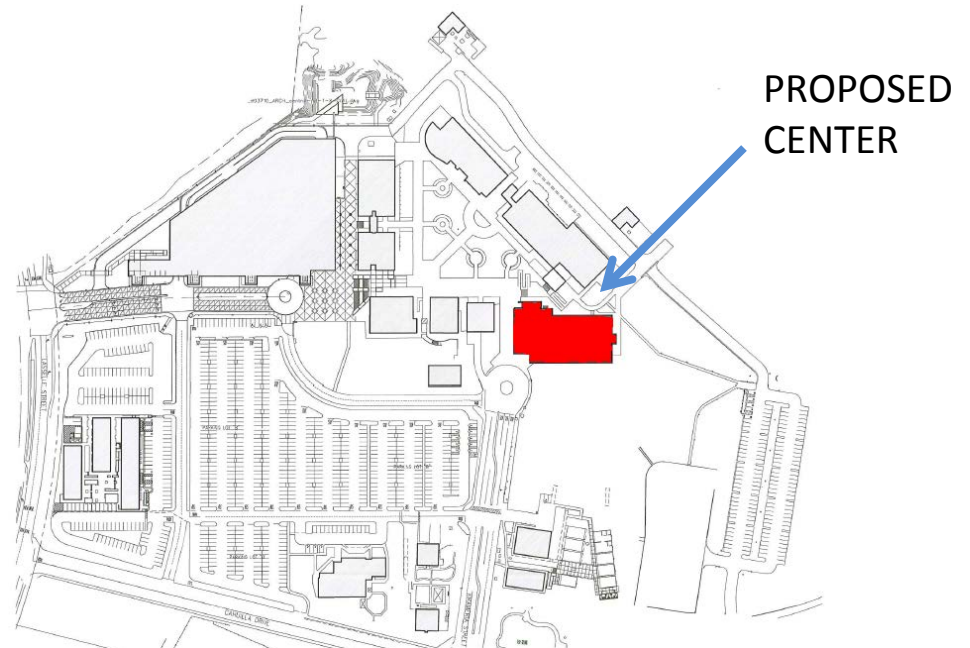
51,146 GSF / 33,125 ASF

\$28,047,000

2014/2016 State Bond

CM / ARCHITECT TBD

Library Learning Center will provide students with access to many types of information and instructional assistance. This three story structure will include classroom, lab, office and Library space.





CENTER FOR HUMAN PERFORMANCE (FPP)

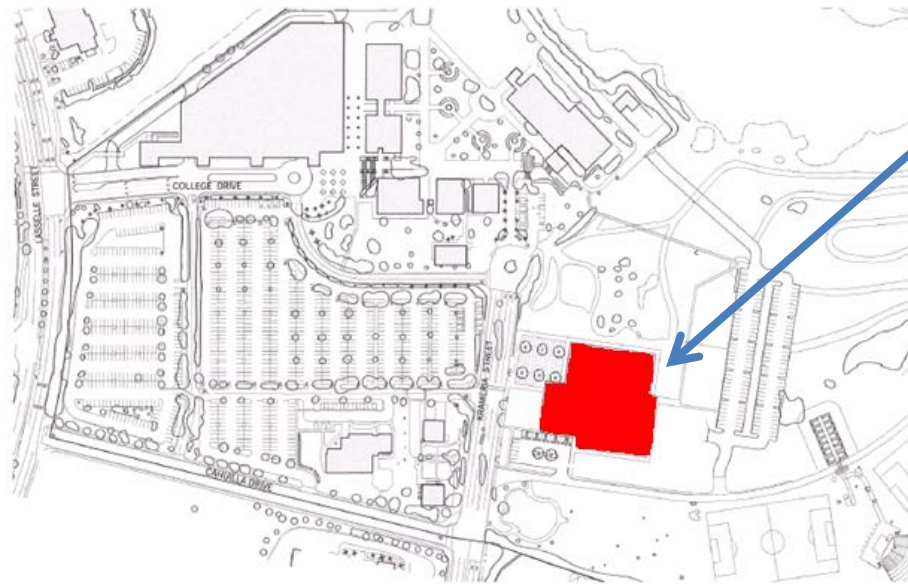
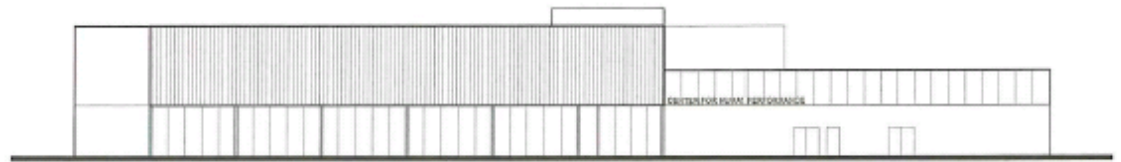
56,216 GSF / 41,319 ASF

\$26,478,000

2014/2016 – STATE BOND

CM / ARCHITECT TBD

Includes regulation size gymnasium that will support 6 badminton courts, 3 volleyball courts and 3 basketball courts, and a fitness center in addition to a traditional weight room. The facility will also house lecture classrooms for the Physical Education program. Men's and women's locker/shower facilities will also be provided in addition to two team rooms, a self-defense room, a trainers area and equipment storage.



PROPOSED
CENTER





NATURAL SCIENCE BUILDING (IPP)

30613 ASF

\$30,402,000

DATE TBD – STATE BOND

CM / ARCHITECT TBD

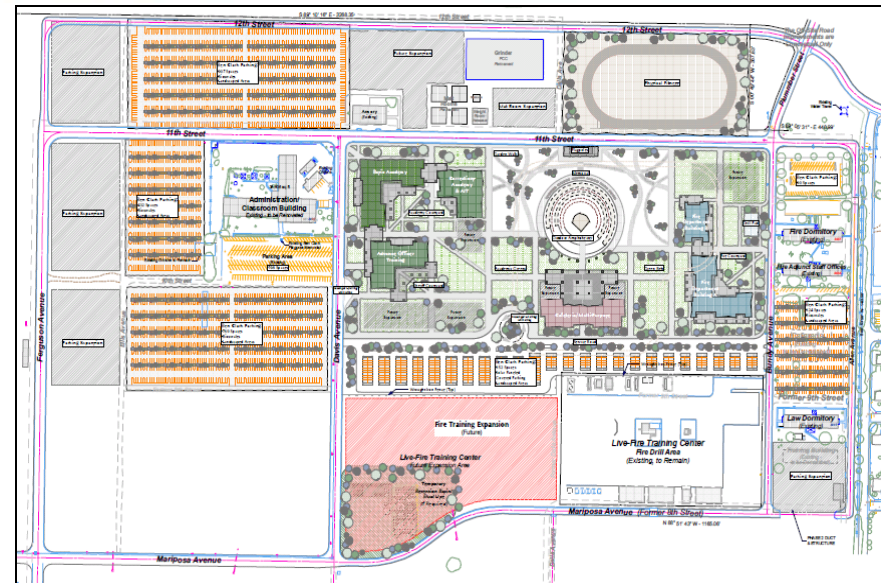
Natural Science facility includes large lecture space, natural science labs, office and meeting spaces, to allow the natural and science programs to locate into a single facility. Facility will allow sufficient natural science classes for the Health Sciences as well as for transfer students, and would include large lecture space, which the college needs to be able to address efficiencies.





BEN CLARK TRAINING CENTER

The District/College had been in the process of applying for official "Center" status, before the state imposed a moratorium; which is now being lifted. It is proposed with center status that RCCD/MVC submit for an IPP for a permanent facility at the Ben Clark Training Center to house classrooms, lab, student services and offices to support the Administration of Justice, EMT, Fire Technology and Homeland Security programs in addition to several general education courses that support the public safety programs.





COMPLETED:

- Hot Water Loop & Boiler Replacement
- Site/Safety Improvements
- Master / Long Range Plan
- ECS Building
- Emergency Phones
- Modular Redistribution
- Network Upgrades
- Scheduled Maintenance
- Utility Retrofit (NORESKO)
- ADA Upgrade

UNDERWAY:

- Master Long Range Plan Update
- PA Lab Remodel
- Autoclave

FUTURE:

- 5-Year CIP
 - Library and Learning Center (FPP)
 - Center for Human Performance (FPP)
 - Natural Science Building (IPP)
- Potential (based upon Master Plan Update)
 - SAS Secondary Effects
 - BCTC Center
 - Health Sciences Center



OTHER PROJECTS



ADVANCING LEARNING ENVIRONMENTS

**RIVERSIDE COMMUNITY
COLLEGE DISTRICT**



CENTER FOR SOCIAL JUSTICE & CIVIL LIBERTIES

10,000 GSF / 8,305 ASF

\$5,311,683

2012

LPA

Tilden Coil Constructors

Renovated and restored, this historical building serves as home to The Mine' Okubo Collection. This educational and cultural resource provides an interactive experience with didactic displays offering a window into the social landscape during the mid to late 20th century.





RCC CULINARY ARTS ACADEMY & DISTRICT OFFICES

54,415 GSF/ 45,764 ASF

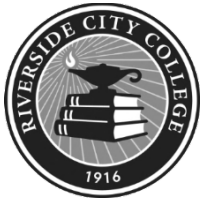
\$33,350,761

Construction Spring 2014-Spring 2016

LPA

Tilden Coil Constructors

3-story facility housing conference center styled classrooms, dining room, 4-kitchens (demonstration, skills, production & bakery), consolidated district offices and a roof top social space



**COMPLETED:**

- Market Street Acquisition
- Spruce Street Acquisition
- Site/Safety Improvements
- Master / Long Range Plan
- Emergency Phones
- Modular Redistribution
- Network Upgrades
- Scheduled Maintenance
- Utility Retrofit (NORESKO)
- Alumni Carriage House Restoration

UNDERWAY:

- ADA Upgrade
- Master / Long Range Plan Updates
- District Standards



OTHER PROJECTS

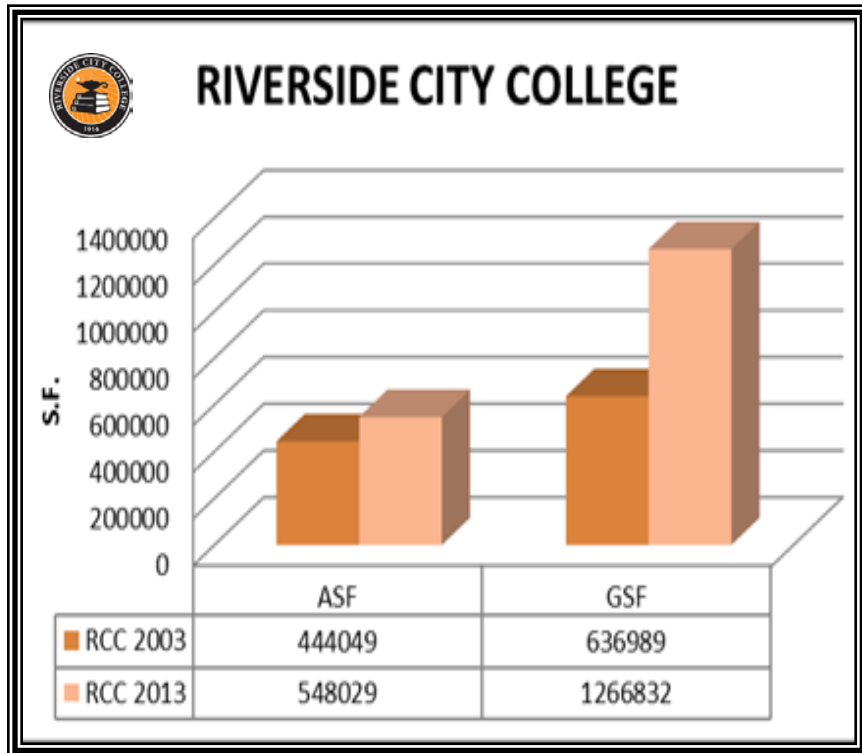


CONCLUSION

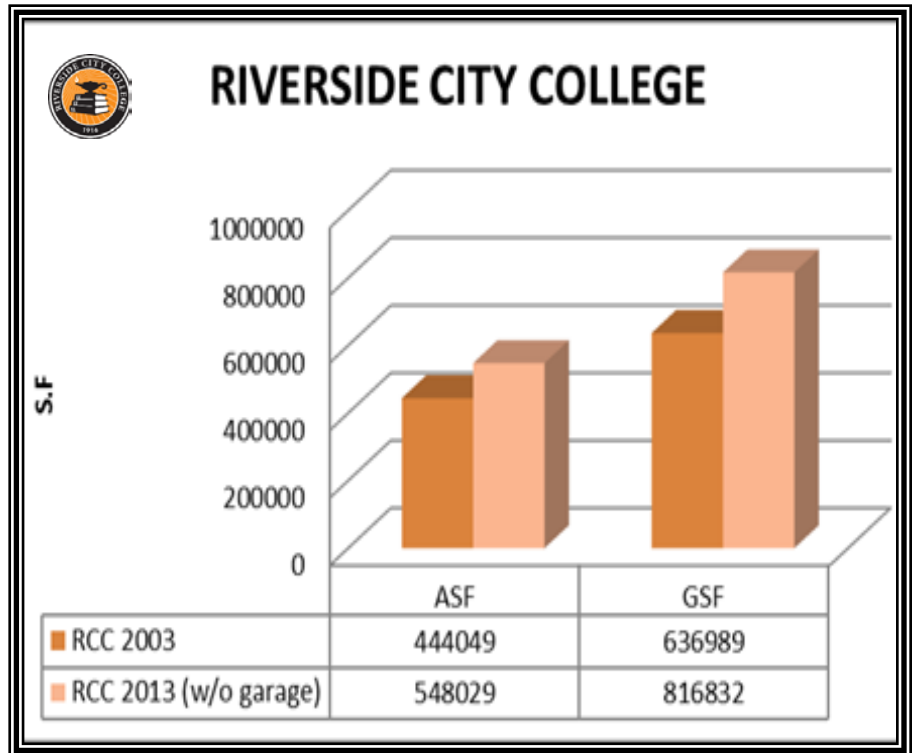
**WHAT DOES A DECADE OF
ADVANCEMENT LOOK LIKE?**



With Garage:

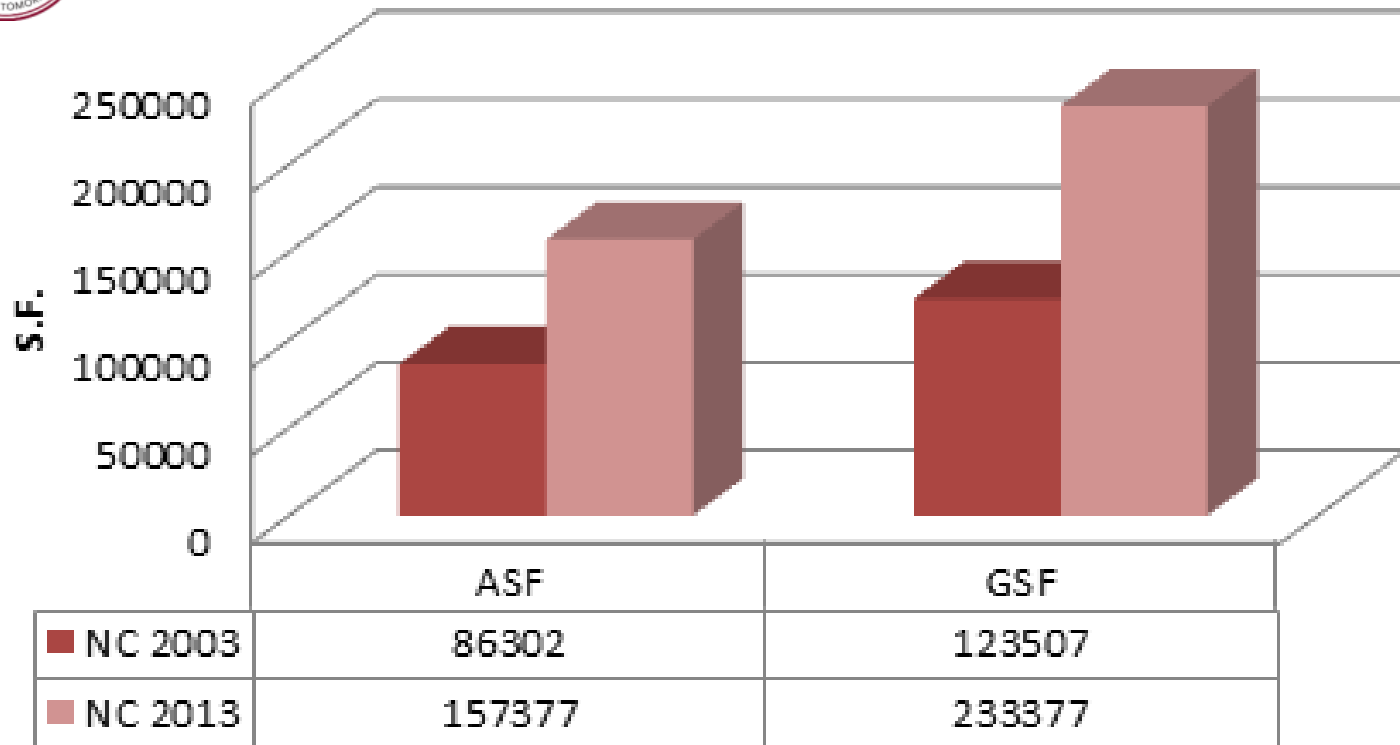


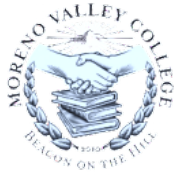
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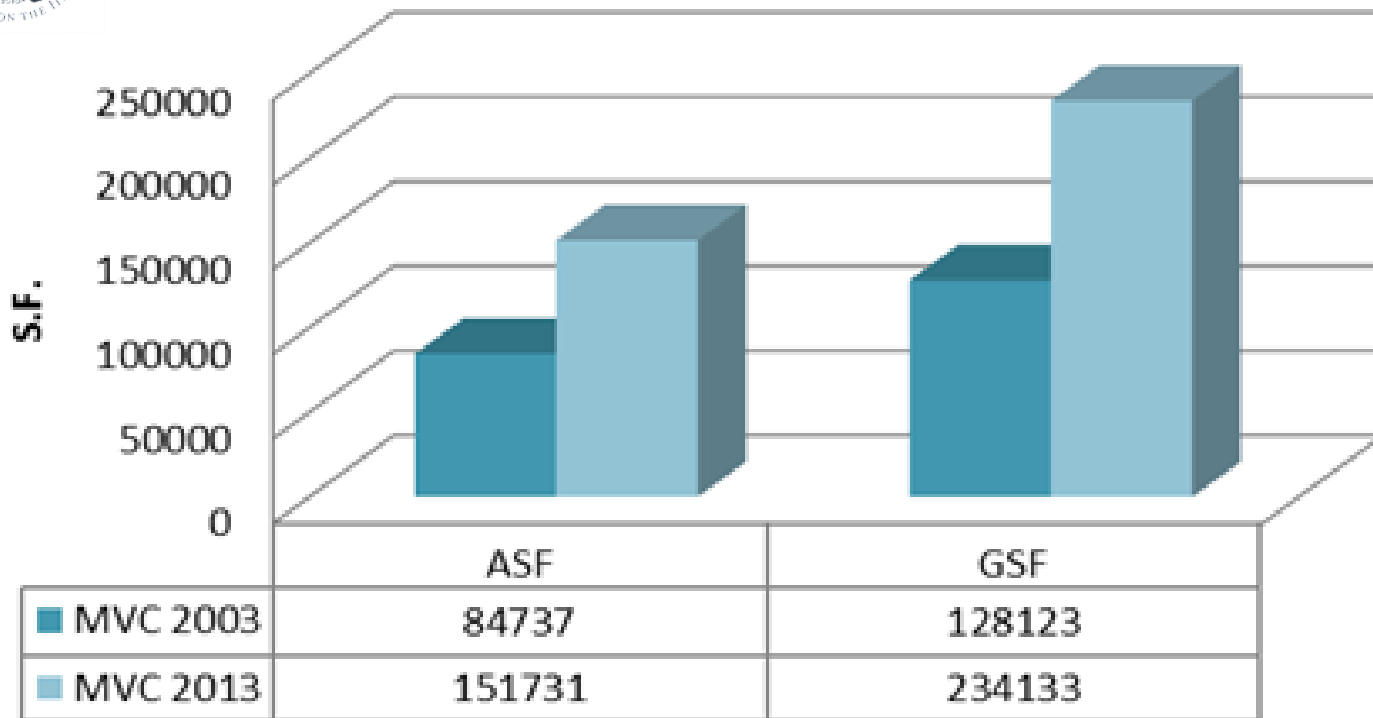


NORCO COLLEGE





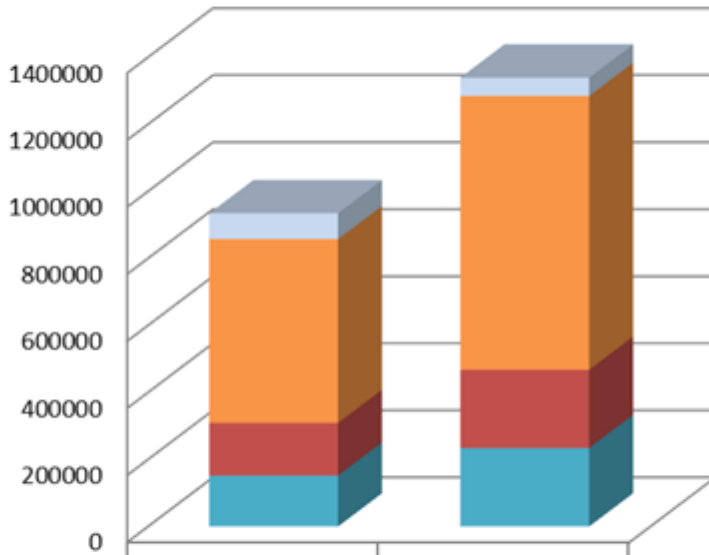
MORENO VALLEY COLLEGE





2013 RCCD

S.F.



	ASF	GSF
RCCD	77007	54810
RCC 2013 (w/o garage)	548029	816832
NC 2013	157377	233377
MVC 2013	151731	234133

2003 ⇒

888,619 GSF / 615,088 ASF

2013 ⇒

1,789,152 GSF / 934,144 ASF



[e-board](#) » [Agenda Item](#)

[Agenda Item](#)

Agenda Item (IV-D-1)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Resources (IV-D-1)
Subject	Measure C General Obligation Bond Presentation – Update and Planning for Future Series E and Series F Issuances
College/District	District

Information Only

Background Narrative:

Vice Chancellor of Business and Financial Services and the District's Measure C Bond Program representatives from Piper Jaffray & Co. and Keygent LLC will lead a discussion on current Measure C Bond financing and planning for future Series E and Series F issuances.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services

Attachments:

[12032013_RCCD Measure C Presentation](#)

[12032013_Piper Jaffray & Co. and Keygent LLC Presentation](#)



MEASURE C - GENERAL OBLIGATION BOND Planning for Future Issuances

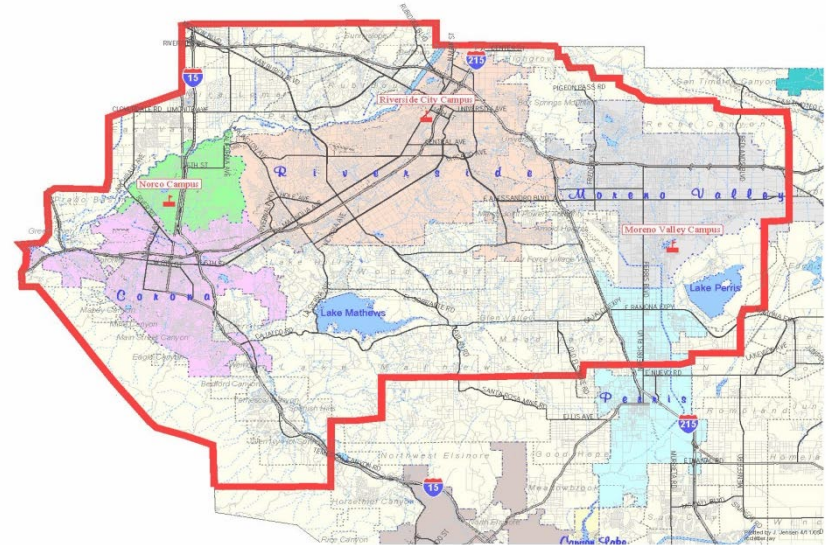
Presented to the Board of Trustees on December 3, 2013



What is a General Obligation Bond?

A general obligation bond is a debt financing backed by the credit and property tax base of the district.

- District voters authorize a total principal amount to be issued in addition to an estimated tax rate
- Taxes are levied on properties within the district to pay the principal and interest (debt service) due on the bonds
- Bonds are typically sold in increments to meet district project needs





Bond Program Considerations

General obligation bond programs are structured based on projections of:

- District facility needs
- District assessed value ("AV")
 - Project AV growth has a significant effect on the bond issuance schedule and amounts
- Tax Rates
 - Annual tax rate \approx annual bond debt service / current AV
- Municipal bond interest rates
 - Function of:
 - National and international financial market factors
 - District credit ratings
 - Length of bond repayment
 - Bond type
 - Redemption features



Measure C Issuance History

The District has issued \$264,999,278 in five series from bonds of the \$350,000,000 authorized:

- Series 2004A on August 3, 2004 for \$55,205,000
- Series 2004B on August 3, 2004 for 9,795,000
- Series 2007C on June 21, 2007 for \$90,000,000
- Series 2010D on November 10, 2010 for \$7,699,278
- Series 2010D-1 on November 10, 2010 for \$102,300,000
- \$85,000,722 of Measure C authorization remains unissued

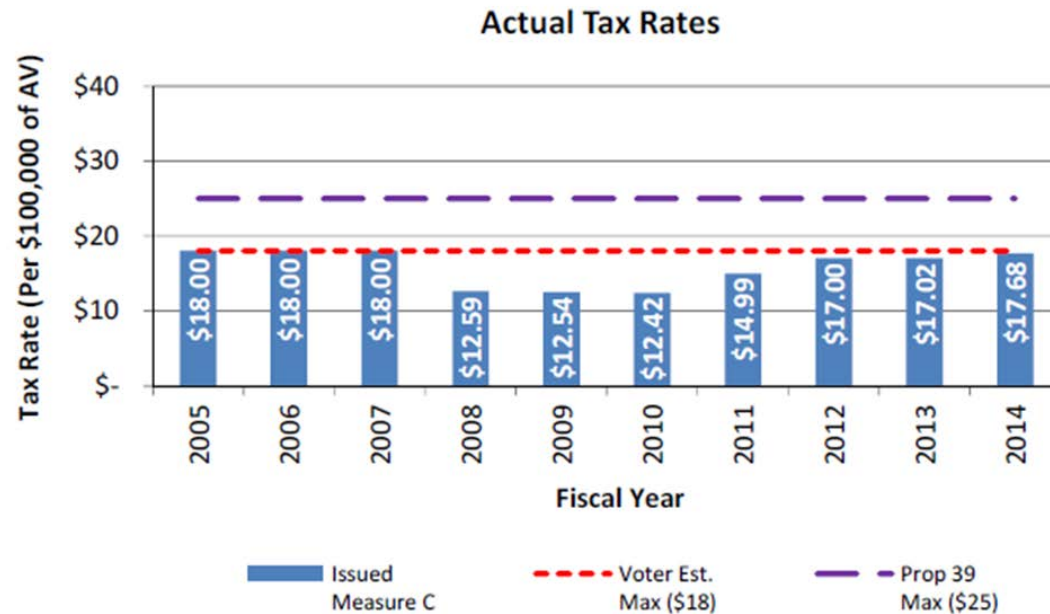
2005 Refinancing

- The District refunded a portion of the Election of 2004, Series 2004A
 - 2005 Refunding Bonds issued on June 8, 2005 for \$58,386,109



District Tax Rate History ⁽¹⁾

Following is a history of the District's actual tax rates for Measure C bonds:



(1) Tax rates per \$100,000 of AV. Source: Riverside County. Data from 2005 to 2014.



Measure C Issuance

- The following pages show scheduled projects or projects included on the District's 5 Year Plan submitted to the State Chancellor's Office.
- The District must plan for the issuance of the remaining Measure C authorization to ensure that adequate funds are available.
- Current cash flow projections indicate that an issuance of approximately \$55 million will be needed around the Fall 2014 time period.
- Cash flow will be monitored and updated on an ongoing basis.



MEASURE C PROJECTS			
Entity	Projects	Period Cash Needed	Cash Requirements
Series E Issuance			
ALL	Scheduled Maintenance	12/2013 to 06/2014	648,339
RCCD	IT Upgrade	12/2013 to 12/2014	4,130,249
RCCD	ADA Transition	12/2013 to 06/2014	1,815,315
RCCD	Utility Upgrde	12/2013 to 06/2014	4,443,421
RCC	Nursing, Science & Math	12/2013 to 06/2014	1,942,665
RCC	Wheelock Gym	12/2013 to 06/2014	626,266
RCC	Lovekin	12/2013 to 06/2014	1,975,708
NC	Fuel Cell	12/2013 to 06/2014	2,164,739
MVC	Student Academic Services	12/2013 to 06/2014	1,775,297
MVC	Network Operations Center	12/2013 to 06/2014	2,876,469
RCC	Student Services Phase I & II	12/2013 to 12/2015	25,548,984
RCC	Coil School for the Arts	12/2013 to 06/2016	23,714,631
RCC	Culinary Arts Academy and District Office	12/2013 to 06/2016	29,191,327
ALL	Personnel and Contracts	12/2013 to 07/2017	2,977,288
RCC	Café/Grab-n-go	01/2014 to 06/2014	1,522,610
MVC	Student Academic Services - Secondary Effect	01/2014 to 06/2014	2,000,000
RCC	Life/Physical Science	07/2015 to 06/2016	4,400,000
Series F Issuance			
ALL	Personnel and Contracts	08/2017 to 12/2019	1,812,506
MVC	Center for Human Performance	07/2017 to 06/2018	1,081,000
MVC	Library Learning Center - FF&E	07/2018 to 12/2018	2,000,000
RCC	Cosmotology	01/2018 to 06/2019	1,592,000
	Future Projects		24,397,377
Total Project Balances			\$ 142,636,191
Measure C Cash Balance as of 09-24-13			\$ 57,192,919
Measure C - Future Issuances			\$ 85,000,722
Estimated Interest			\$ 442,550
Project Balances vs. Available Measure C Funding			\$ -



Next Measure C Issuance

- Chet Wang from Keygent LLC (District's financial consultant) and Ivory Li from Piper Jaffray & Co. (District's bond underwriter) will present information regarding current economics and the provisions of Assembly Bill 182 that will impact our next Measure C issuance.

Riverside Community College District

General Obligation Bond Update

December 3, 2013

Table of Contents

Section

- I. Original Measure C Financing Plan
- II. Measure C Repayment Ratios
- III. Updated Measure C Bond Program
- IV. Additional Illustrative Measure C Issuance Scenarios

Section I

Original Measure C Financing Plan

Original Measure C Financing Plan

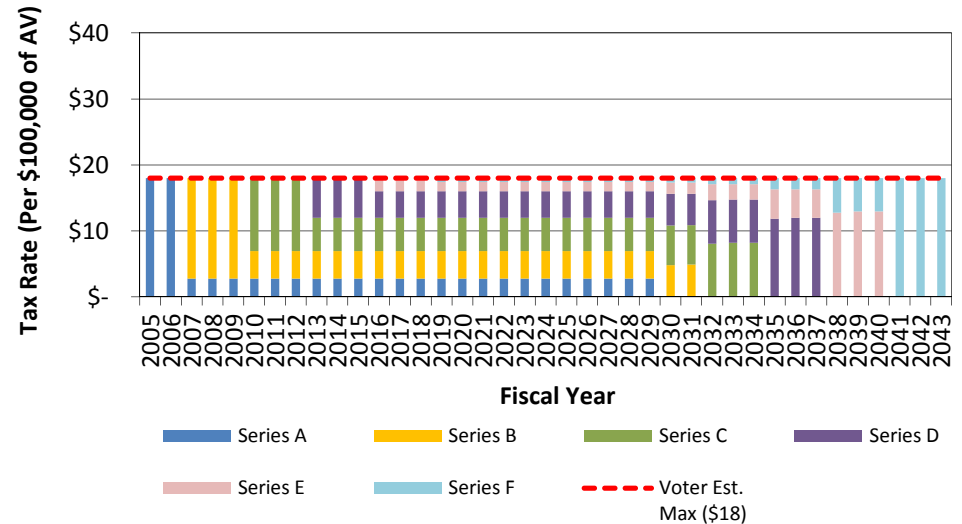
On March 2, 2004, District voters approved Measure C, a \$350 million general obligation bond authorization, with a 60.59% affirmative vote (55% required)

- ◆ Estimated tax rate of \$18 per \$100,000 of assessed value (“AV”)
- ◆ Assumptions:
 - Annual AV growth rate: 4.50%
 - Interest rate: 5.50%

Issuance Schedule

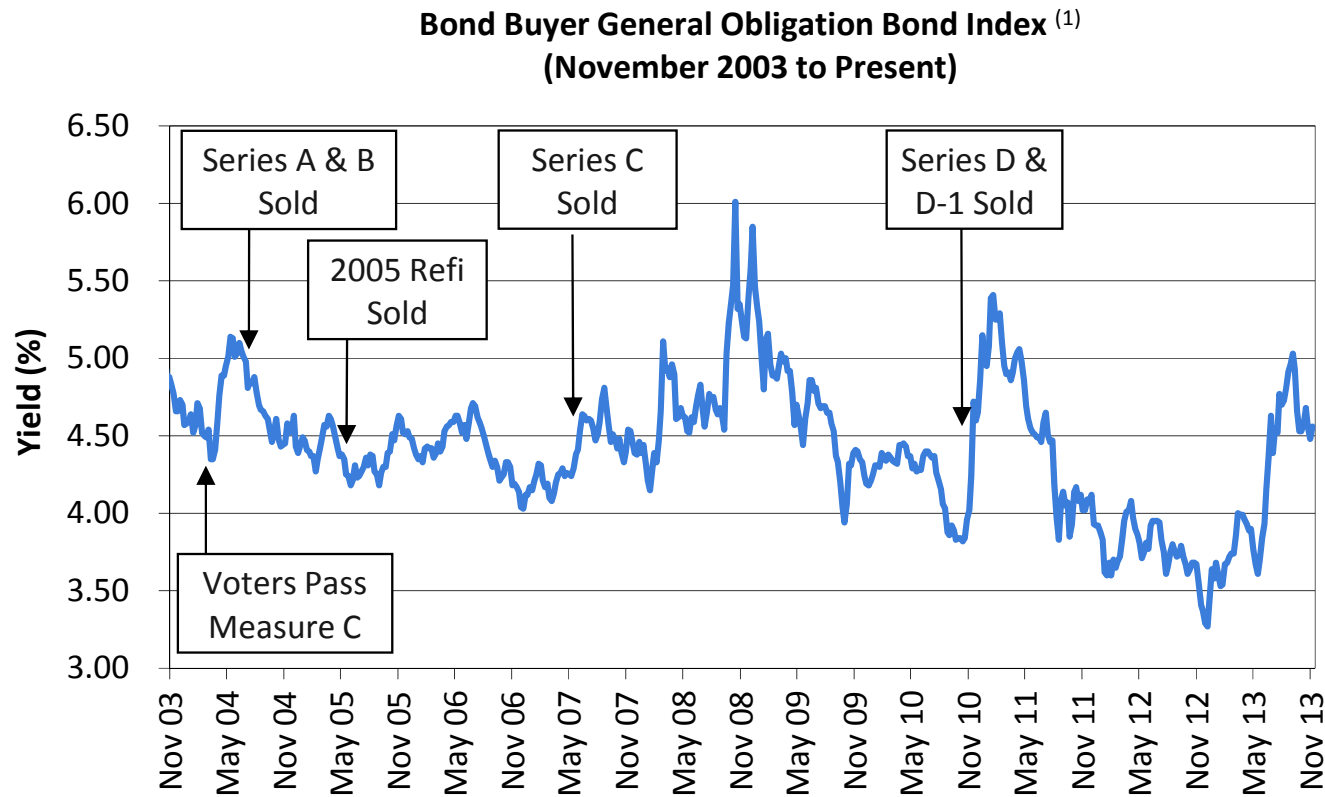
Issue	Issue Date	Proceeds
Series A	August 2004	\$ 40,000,000
Series B	August 2006	60,000,000
Series C	August 2009	75,000,000
Series D	August 2012	75,000,000
Series E	August 2015	50,000,000
Series F	August 2018	50,000,000
Total		\$ 350,000,000

Projected Tax Rates



Interest Rate History

Following is a history of municipal bond interest rates and when Measure C bonds were sold

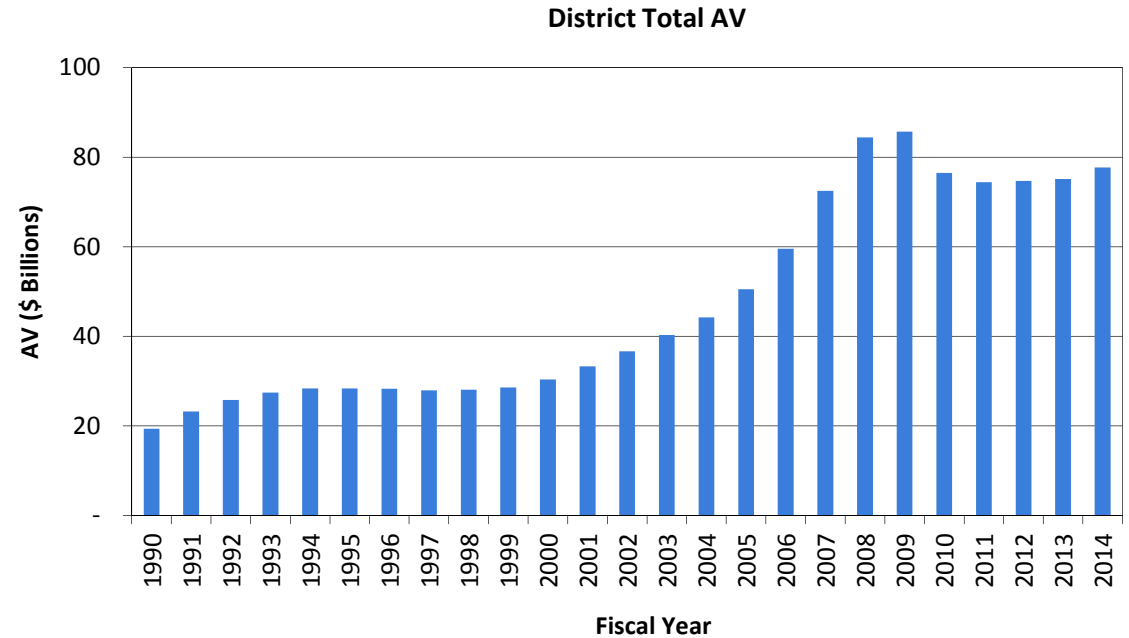


(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated Aa2 by Moody's Investors Service and AA by Standard and Poor's. Source: The Bond Buyer & Bloomberg.

District AV

The District has experienced three consecutive years of modest AV growth after having experienced two consecutive years of AV declines

FY	Total AV ⁽¹⁾	Annual % Change
1990	\$ 19,381,004,782	
1991	23,213,100,480	19.77 %
1992	25,803,961,998	11.16
1993	27,450,479,789	6.38
1994	28,385,533,017	3.41
1995	28,376,902,364	-0.03
1996	28,295,589,663	-0.29
1997	27,919,727,900	-1.33
1998	28,089,523,008	0.61
1999	28,580,743,385	1.75
2000	30,357,912,678	6.22
2001	33,318,083,812	9.75
2002	36,685,860,178	10.11
2003	40,303,756,845	9.86
2004	44,206,000,617	9.68
2005	50,507,651,502	14.26
2006	59,622,695,477	18.05
2007	72,536,868,844	21.66
2008	84,433,424,625	16.40
2009	85,760,730,435	1.57
2010	76,553,487,867	-10.74
2011	74,411,938,552	-2.80
2012	74,723,496,908	0.42
2013	75,145,624,176	0.56
2014	77,697,159,101	3.40



Growth Statistics			
Annualized Growth Rates:		Lowest Rolling Averages:	
1-year:	3.40 %	3-year:	-4.49 %
5-year:	-1.96	5-year:	-2.30
10-year:	5.80	10-year:	3.58
15-year:	6.89	15-year:	6.49
20-year:	5.16	20-year:	5.16

(1) Source: Riverside County & California Municipal Statistics, Inc. Data from 1990 to 2014.

AV Comparison

Following is a comparison of original AV assumptions vs. actual history

- ◆ Difference in AV of +13.2% (approximately \$9 billion)

	Original Assumptions	Actual History
FY	% Change	% Change
2005	4.50 %	14.26 %
2006	4.50	18.05
2007	4.50	21.66
2008	4.50	16.40
2009	4.50	1.57
2010	4.50	-10.74
2011	4.50	-2.80
2012	4.50	0.42
2013	4.50	0.56
2014	4.50	3.40
Annualized	4.50	5.80

Types of General Obligation Bonds

General obligation bonds are generally issued as either current interest bonds or capital appreciation bonds

- ◆ Current interest bonds (“CIBs”)
 - Interest paid semiannually
 - Principal paid at maturity
- ◆ Capital appreciation bonds (“CABs”)
 - Interest paid at maturity
 - Principal paid at maturity

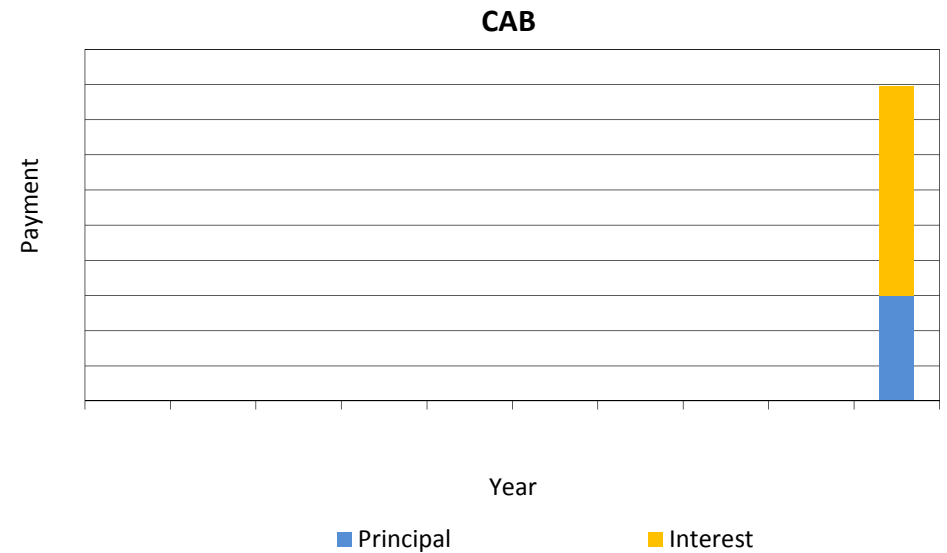
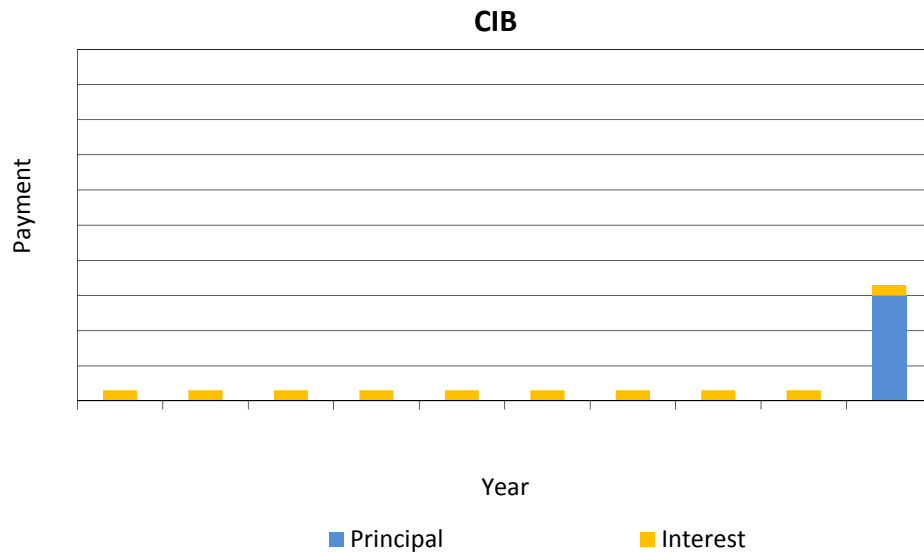
Interest cost for CABs is higher than CIBs

- ◆ CABs carry a higher interest rate
- ◆ CABs interest compounds

Recent legislation (AB 182) will be explained in a later slide

CIBs vs. CABs

CIBs and CABs have significant structuring flexibility with respect to where principal and interest can be amortized



CIBs vs. CABs

Following is an illustration of current interest rates for CIBs and CABs

Year	CIBs	CABs	Difference
1	0.23 %	0.33 %	0.10 %
2	0.37	0.92	0.55
3	0.66	1.36	0.70
4	0.96	1.76	0.80
5	1.39	2.24	0.85
6	1.73	2.65	0.92
7	2.00	3.00	1.00
8	2.33	3.38	1.05
9	2.57	3.62	1.05
10	2.79	3.84	1.05
11	3.08	4.13	1.05
12	3.54	4.60	1.06
13	3.78	4.86	1.08
14	3.99	5.15	1.16
15	4.17	5.33	1.16
16	4.30	5.51	1.21
17	4.41	5.68	1.27
18	4.48	5.78	1.30
19	4.55	5.85	1.30
20	4.65	5.95	1.30
21	4.75	6.05	1.30
22	4.81	6.11	1.30
23	4.85	6.15	1.30
24	4.89	6.19	1.30
25	4.93	6.23	1.30
26	4.96	6.26	1.30
27	4.97	6.27	1.30
28	4.99	6.29	1.30
29	5.00	6.30	1.30
30	5.01	6.31	1.30
31	5.02	6.32	1.30
32	5.03	6.33	1.30
33	5.04	6.34	1.30
34	5.05	6.35	1.30
35	5.06	6.36	1.30
36	5.07	6.37	1.30
37	5.08	6.38	1.30
38	5.09	6.39	1.30
39	5.10	6.40	1.30
40	5.11	6.41	1.30

Events Leading to Legislation Limiting CABs (AB 182)

Los Angeles County Treasurer and Tax Collector (“LA County”)

- ◆ In May 2011, LA County published a white paper which stated that CABs should not be utilized beyond 25 years if a district has legally available tax capacity under Proposition 39

Poway Unified School District (“Poway”)

- ◆ In August 2011, Poway issued \$105 million of non-callable CABs that matured in years 2033 through 2051 with a total repayment cost of \$981 million (9.35 to 1 ratio)
- ◆ Significant negative press followed from major news agencies

California Watch

- ◆ On August 22, 2012, California Watch published a report on California Community College Districts’ use of CABs which “inflate taxpayers’ repayments”

Los Angeles Times (“LA Times”)

- ◆ On November 28, 2012, the LA Times published an article about California school and community college districts’ use of CABs
 - Included a database of 200 districts that issued CABs
 - Listed warnings next to those CABs that met two conditions:
 - Financing terms greater than 25 years
 - Repayment ratios greater than 4 to 1

AB 182 Overview

AB 182 was introduced on January 24, 2013 to limit education bond financings:

- ◆ Establishing a maximum debt service repayment ratio for each bond series of 4 to 1
- ◆ Allowing the maximum financing term for CIBs to remain 40 years
- ◆ Limiting the maximum financing term for CABs to 25 years
- ◆ Limiting the maximum interest rate for CABs to 8%
- ◆ Requiring CABs be subject to redemption after 10 years
- ◆ Requiring public analysis if financing utilizes:
 - CABs, and/or
 - CIBs with maturities greater than 30 years
- ◆ These changes will become effective January 1, 2014

At the time of the original Measure C planning, CABs with higher repayment ratios were anticipated

Section II

Measure C Repayment Ratios

Measure C Repayment Ratios for Issued Bonds

Date	Series 2004A & 2004B			2005 Refunding			Series 2007C			Series 2010D			Series 2010D-1				Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Subsidy ⁽¹⁾	Total	
8/1/05	3,750,000	1,873,134	5,623,134	970,000	391,615	1,361,615											6,984,749
8/1/06	4,500,000	359,581	4,859,581	1,820,000	2,630,925	4,450,925											9,310,506
8/1/07	1,545,000	202,081	1,747,081	475,000	2,549,025	3,024,025	6,020,000	477,317	6,497,317								11,268,423
8/1/08	-	146,075	146,075	1,260,000	2,534,775	3,794,775	5,125,000	4,055,050	9,180,050								13,120,900
8/1/09	-	146,075	146,075	1,495,000	2,471,775	3,966,775	5,160,000	3,850,050	9,010,050								13,122,900
8/1/10	-	146,075	146,075	1,740,000	2,409,750	4,149,750	5,185,000	3,643,650	8,828,650								13,124,475
8/1/11	500,000	146,075	646,075	1,252,016	2,900,734	4,152,750	-	3,425,500	3,425,500				-	5,194,040	(1,817,914)	3,376,126	11,600,451
8/1/12	620,000	126,075	746,075	876,062	3,437,188	4,313,250	-	3,425,500	3,425,500				-	7,164,193	(2,507,468)	4,656,725	13,141,550
8/1/13	795,000	101,275	896,275	837,747	3,625,503	4,463,250	-	3,425,500	3,425,500				-	7,164,193	(2,398,393)	4,765,800	13,550,825
8/1/14	1,000,000	69,475	1,069,475	797,240	3,816,010	4,613,250	-	3,425,500	3,425,500				-	7,164,193	(2,289,318)	4,874,875	13,983,100
8/1/15	15,000	29,475	44,475	898,045	4,330,205	5,228,250	-	3,425,500	3,425,500	216,214	158,786	375,000	-	7,164,193	(2,289,318)	4,874,875	13,948,100
8/1/16	15,000	28,838	43,838	3,165,000	2,298,250	5,463,250	-	3,425,500	3,425,500	292,496	277,505	570,000	-	7,164,193	(2,289,318)	4,874,875	14,377,463
8/1/17	20,000	28,088	48,088	3,570,000	2,140,000	5,710,000	-	3,425,500	3,425,500	349,376	415,625	765,000	-	7,164,193	(2,289,318)	4,874,875	14,823,463
8/1/18	20,000	27,088	47,088	4,005,000	1,961,500	5,966,500	-	3,425,500	3,425,500	394,266	575,734	970,000	-	7,164,193	(2,289,318)	4,874,875	15,283,963
8/1/19	25,000	26,088	51,088	4,475,000	1,761,250	6,236,250	-	3,425,500	3,425,500	425,056	749,944	1,175,000	-	7,164,193	(2,289,318)	4,874,875	15,762,713
8/1/20	25,000	24,838	49,838	4,980,000	1,537,500	6,517,500	-	3,425,500	3,425,500	538,846	821,154	1,360,000	-	7,164,193	(2,289,318)	4,874,875	16,227,713
8/1/21	30,000	23,588	53,588	5,525,000	1,288,500	6,813,500	-	3,425,500	3,425,500	945,859	614,141	1,560,000	-	7,164,193	(2,289,318)	4,874,875	16,727,463
8/1/22	35,000	22,013	57,013	6,105,000	1,012,250	7,117,250	-	3,425,500	3,425,500	1,002,769	772,232	1,775,000	-	7,164,193	(2,289,318)	4,874,875	17,249,638
8/1/23	40,000	20,175	60,175	6,735,000	707,000	7,442,000	-	3,425,500	3,425,500	1,037,942	937,059	1,975,000	-	7,164,193	(2,289,318)	4,874,875	17,777,550
8/1/24	45,000	18,075	63,075	7,405,000	370,250	7,775,250	-	3,425,500	3,425,500	1,061,033	1,128,967	2,190,000	-	7,164,193	(2,289,318)	4,874,875	18,227,700
8/1/25	45,000	15,713	60,713				7,325,000	3,425,500	10,750,500	1,435,423	1,769,577	3,205,000	-	7,164,193	(2,289,318)	4,874,875	18,891,088
8/1/26	50,000	13,350	63,350				8,015,000	3,059,250	11,074,250				-	7,164,193	(2,289,318)	4,874,875	16,012,475
8/1/27	60,000	10,725	70,725				8,740,000	2,658,500	11,398,500				-	7,164,193	(2,289,318)	4,874,875	16,344,100
8/1/28	65,000	7,425	72,425				9,520,000	2,221,500	11,741,500				-	7,164,193	(2,289,318)	4,874,875	16,688,800
8/1/29	70,000	3,850	73,850				10,350,000	1,745,500	12,095,500				-	7,164,193	(2,289,318)	4,874,875	17,044,225
8/1/30							11,310,000	1,228,000	12,538,000				-	7,164,193	(2,289,318)	4,874,875	17,412,875
8/1/31							12,250,000	662,500	12,912,500				760,000	7,164,193	(2,289,318)	5,634,875	18,547,375
8/1/32							1,000,000	50,000	1,050,000				7,405,000	7,111,213	(2,272,388)	12,243,825	13,293,825
8/1/33													8,675,000	6,595,011	(2,107,436)	13,162,575	13,162,575
8/1/34													9,455,000	5,990,277	(1,914,193)	13,531,084	13,531,084
8/1/35													10,285,000	5,331,169	(1,703,575)	13,912,594	13,912,594
8/1/36													11,160,000	4,614,201	(1,474,468)	14,299,733	14,299,733
8/1/37													12,095,000	3,830,658	(1,224,087)	14,701,571	14,701,571
8/1/38													13,085,000	2,981,468	(952,728)	15,113,740	15,113,740
8/1/39													14,135,000	2,062,770	(659,158)	15,538,612	15,538,612
8/1/40													15,245,000	1,070,351	(342,031)	15,973,321	15,973,321
Total	13,270,000	3,615,247	16,885,247	58,386,109	44,174,005	102,560,115	90,000,000	75,033,817	165,033,817	7,699,278	8,220,722	15,920,000	102,300,000	188,065,017	(60,581,559)	229,783,458	530,182,636
\$ of CABs			\$0			\$3,961,109			\$0			\$7,699,278				\$0	\$11,660,388
% of CABs			0.00%			6.78%			0.00%			100.00%				0.00%	4.29%
Repayment Ratio			1.27 to 1			1.76 to 1			1.83 to 1			2.07 to 1				2.25 to 1	1.95 to 1

(1) Assumes 8.7% federal subsidy sequester reduction applies through term of financing.

Section III

Updated Measure C Bond Program

Est. Measure C Project Cashflow (Required Future Bonds)

Period Ending	Total Expenditures	Cumulative Expenditures	Estimated Interest ⁽¹⁾	Future Bonds	Cumulative Balance
Aug 2013					57,192,919
Sep 2013	3,214,105	3,214,105	18,111		53,996,925
Oct 2013	3,214,105	6,428,210	17,099		50,799,920
Nov 2013	3,392,718	9,820,927	16,087		47,423,289
Dec 2013	3,214,105	13,035,032	15,017		44,224,201
Jan 2014	2,099,866	15,134,898	14,004		42,138,339
Feb 2014	2,099,866	17,234,765	13,344		40,051,817
Mar 2014	2,099,866	19,334,631	12,683		37,964,633
Apr 2014	2,704,453	22,039,084	12,022		35,272,202
May 2014	2,987,582	25,026,667	11,170		32,295,789
Jun 2014	3,295,883	28,322,549	10,227		29,010,134
Jul 2014	2,001,397	30,323,946	9,187		27,017,923
Aug 2014	2,261,751	32,585,698	8,556		24,764,727
Sep 2014	2,740,929	35,326,627	7,842		22,031,641
Oct 2014	3,043,813	38,370,440	6,977		18,994,804
Nov 2014	3,721,305	42,091,745	6,015		15,279,515
Dec 2014	3,759,591	45,851,336	4,839		11,524,762
Jan 2015	4,195,718	50,047,054	3,650		7,332,693
Feb 2015	4,308,636	54,355,689	2,322		3,026,380
Mar 2015	4,390,364	58,746,054	958	55,000,000	53,636,974
Apr 2015	4,921,857	63,667,911	16,985		48,732,102
May 2015	5,420,440	69,088,351	15,432		43,327,093
Jun 2015	5,403,651	74,492,002	13,720		37,937,163
Jul 2015	5,577,353	80,069,355	12,013		32,371,823
Aug 2015	5,145,596	85,214,951	10,251		27,236,478
Sep 2015	4,513,521	89,728,473	8,625		22,731,581
Oct 2015	4,370,978	94,099,451	7,198		18,367,801
Nov 2015	2,227,819	96,327,270	5,816		16,145,799
Dec 2015	3,305,643	99,632,914	5,113		12,845,268
Jan 2016	2,864,244	102,497,157	4,068		9,985,092
Feb 2016	2,626,070	105,123,227	3,162		7,362,184
Mar 2016	1,097,898	106,221,125	2,331		6,266,618
Apr 2016	830,016	107,051,141	1,984		5,438,586
May 2016	552,630	107,603,771	1,722		4,887,678
Jun 2016	275,042	107,878,813	1,548		4,614,184
Jul 2016	572,833	108,451,646	1,461		4,042,812
Aug 2016	572,833	109,024,480	1,280		3,471,259
Sep 2016	572,833	109,597,313	1,099		2,899,525
Oct 2016	572,833	110,170,146	918		2,327,609

Period Ending	Total Expenditures	Cumulative Expenditures	Estimated Interest ⁽¹⁾	Future Bonds	Cumulative Balance
Nov 2016	572,833	110,742,980	737		1,755,513
Dec 2016	572,833	111,315,813	556		1,183,236
Jan 2017	62,500	111,378,313	375		1,121,110
Feb 2017	62,500	111,440,813	355		1,058,965
Mar 2017	62,500	111,503,313	335		996,801
Apr 2017	62,500	111,565,813	316		934,616
May 2017	62,500	111,628,313	296		872,412
Jun 2017	62,500	111,690,813	276		810,189
Jul 2017	77,667	111,768,480	257		732,778
Aug 2017	918,956	112,687,435	232	30,000,722	29,814,777
Sep 2017	918,956	113,606,391	9,441		28,905,262
Oct 2017	918,956	114,525,346	9,153		27,995,460
Nov 2017	918,956	115,444,302	8,865		27,085,370
Dec 2017	918,956	116,363,257	8,577		26,174,991
Jan 2018	1,182,289	117,545,546	8,289		25,000,991
Feb 2018	1,182,289	118,727,835	7,917		23,826,619
Mar 2018	1,182,289	119,910,124	7,545		22,651,876
Apr 2018	1,182,289	121,092,413	7,173		21,476,760
May 2018	1,182,289	122,274,702	6,801		20,301,272
Jun 2018	1,182,289	123,456,991	6,429		19,125,412
Jul 2018	1,237,122	124,694,113	6,056		17,894,346
Aug 2018	1,237,122	125,931,235	5,667		16,662,890
Sep 2018	1,237,122	127,168,357	5,277		15,431,045
Oct 2018	1,237,122	128,405,479	4,886		14,198,809
Nov 2018	1,237,122	129,642,602	4,496		12,966,183
Dec 2018	1,237,122	130,879,724	4,106		11,733,167
Jan 2019	1,055,622	131,935,346	3,716		10,681,260
Feb 2019	1,055,622	132,990,968	3,382		9,629,020
Mar 2019	1,055,622	134,046,590	3,049		8,576,447
Apr 2019	1,055,622	135,102,213	2,716		7,523,541
May 2019	1,055,622	136,157,835	2,382		6,470,301
Jun 2019	1,055,622	137,213,457	2,049		5,416,728
Jul 2019	903,789	138,117,246	1,715		4,514,655
Aug 2019	903,789	139,021,035	1,430		3,612,295
Sep 2019	903,789	139,924,824	1,144		2,709,650
Oct 2019	903,789	140,828,612	858		1,806,720
Nov 2019	903,789	141,732,401	572		903,503
Dec 2019	903,789	142,636,190	286		0
Total	\$ 142,636,190		\$ 442,550	\$ 85,000,722	

(1) Assumes interest rate of 0.38% (County treasury pool earnings rate as of August 2013).

IRS Spend-down Requirement

3-year expenditure rule:

- ◆ 5% of bond proceeds and earnings **committed** within 6 months
- ◆ 85% of bond proceeds and earnings **spent** within 3 years

Bond Program Assumptions

Following is a scenario for the remaining Measure C authorization based on the below assumptions ⁽¹⁾:

- ◆ Annual AV growth rate: 3.5%
- ◆ County debt service reserve policy: 10% ⁽²⁾
- ◆ Compliance with AB 182

(1) Changes to any of the assumptions would have an impact on (1) the tax rate, and (2) the amount/timing of proceeds that can be accessed.

(2) Within the past few years this number has declined from 20% in 2010-11 to 10% in 2013-14. Riverside County adjusts this reserve % annually for tax rate management purposes.

Updated Measure C Bond Program

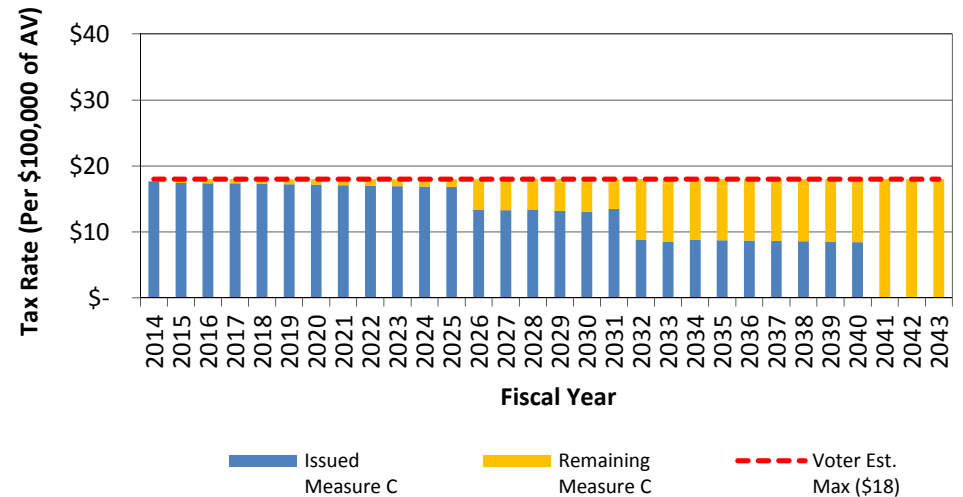
Future Measure C issuances will likely consist primarily of CABs in order to maintain the \$18 per \$100,000 of AV tax rate estimate

- ◆ Under current assumptions, the Series F issuance would be delayed by one year

Illustrative Issuance Schedule

Issue	Issue Date	Proceeds
Series 2004A	August 2004	\$ 55,205,000
Series 2004B	August 2004	9,795,000
Series 2007C	June 2007	90,000,000
Series 2010D	November 2010	7,699,278
Series 2010D-1	November 2010	102,300,000
Series E	March 2015	55,000,000
Series F	August 2018	30,000,722
Total		\$ 350,000,000

Projected Tax Rates



Note: Assumes District requests 2014-15 tax levy in advance of Series E bond issuance.

Projected Repayment Ratios (AB 182 Compliant)

Date	Series 2004A & 2004B			2005 Refunding			Series 2007C			Series 2010D			Series 2010D-1				Series E & F ⁽¹⁾				
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Subsidy ⁽²⁾	Total	Principal	Interest	Total	Total	
8/1/05	3,750,000	1,873,134	5,623,134	970,000	391,615	1,361,615															6,984,749
8/1/06	4,500,000	359,581	4,859,581	1,820,000	2,630,925	4,450,925															9,310,506
8/1/07	1,545,000	202,081	1,747,081	475,000	2,549,025	3,024,025	6,020,000	477,317	6,497,317												11,268,423
8/1/08	-	146,075	146,075	1,260,000	2,534,775	3,794,775	5,125,000	4,055,050	9,180,050												13,120,900
8/1/09	-	146,075	146,075	1,495,000	2,471,775	3,966,775	5,160,000	3,850,050	9,010,050												13,122,900
8/1/10	-	146,075	146,075	1,740,000	2,409,750	4,149,750	5,185,000	3,643,650	8,828,650												13,124,475
8/1/11	500,000	146,075	646,075	1,252,016	2,900,734	4,152,750	-	3,425,500	3,425,500					5,194,040	(1,817,914)	3,376,126					11,600,451
8/1/12	620,000	126,075	746,075	876,062	3,437,188	4,313,250	-	3,425,500	3,425,500					7,164,193	(2,507,468)	4,656,725					13,141,550
8/1/13	795,000	101,275	896,275	837,747	3,625,503	4,463,250	-	3,425,500	3,425,500					7,164,193	(2,398,393)	4,765,800					13,550,825
8/1/14	1,000,000	69,475	1,069,475	797,240	3,816,010	4,613,250	-	3,425,500	3,425,500					7,164,193	(2,289,318)	4,874,875					13,983,100
8/1/15	15,000	29,475	44,475	898,045	4,330,205	5,228,250	-	3,425,500	3,425,500	216,214	158,786	375,000		7,164,193	(2,289,318)	4,874,875	185,000	136,370	321,370		14,269,470
8/1/16	15,000	28,838	43,838	3,165,000	2,298,250	5,463,250	-	3,425,500	3,425,500	292,496	277,505	570,000		7,164,193	(2,289,318)	4,874,875	65,000	323,588	388,588		14,766,050
8/1/17	20,000	28,088	48,088	3,570,000	2,140,000	5,710,000	-	3,425,500	3,425,500	349,376	415,625	765,000		7,164,193	(2,289,318)	4,874,875	130,000	322,288	452,288		15,275,750
8/1/18	20,000	27,088	47,088	4,005,000	1,961,500	5,966,500	-	3,425,500	3,425,500	394,266	575,734	970,000		7,164,193	(2,289,318)	4,874,875	205,000	319,688	524,688		15,808,650
8/1/19	25,000	26,088	51,088	4,475,000	1,761,250	6,236,250	-	3,425,500	3,425,500	425,056	749,944	1,175,000		7,164,193	(2,289,318)	4,874,875	225,000	367,606	592,606		16,355,319
8/1/20	25,000	24,838	49,838	4,980,000	1,537,500	6,517,500	-	3,425,500	3,425,500	538,846	821,154	1,360,000		7,164,193	(2,289,318)	4,874,875	330,000	363,106	693,106		16,920,819
8/1/21	30,000	23,588	53,588	5,525,000	1,288,500	6,813,500	-	3,425,500	3,425,500	945,859	614,141	1,560,000		7,164,193	(2,289,318)	4,874,875	440,000	356,506	796,506		17,523,969
8/1/22	35,000	22,013	57,013	6,105,000	1,012,250	7,117,250	-	3,425,500	3,425,500	1,002,769	772,232	1,775,000		7,164,193	(2,289,318)	4,874,875	540,000	346,681	886,681		18,136,319
8/1/23	40,000	20,175	60,175	6,735,000	707,000	7,442,000	-	3,425,500	3,425,500	1,037,942	937,059	1,975,000		7,164,193	(2,289,318)	4,874,875	660,000	333,381	993,381		18,770,931
8/1/24	45,000	18,075	63,075	7,405,000	370,250	7,775,250	-	3,425,500	3,425,500	1,061,033	1,128,967	2,190,000		7,164,193	(2,289,318)	4,874,875	785,000	315,644	1,100,644		19,429,344
8/1/25	45,000	15,713	60,713				7,325,000	3,425,500	10,750,500	1,435,423	1,769,577	3,205,000		7,164,193	(2,289,318)	4,874,875	930,000	291,844	1,221,844		20,112,931
8/1/26	50,000	13,350	63,350				8,015,000	3,059,250	11,074,250					7,164,193	(2,289,318)	4,874,875	4,525,000	262,419	4,787,419		20,799,894
8/1/27	60,000	10,725	70,725				8,740,000	2,658,500	11,398,500					7,164,193	(2,289,318)	4,874,875	2,611,383	2,579,660	5,191,044		21,535,144
8/1/28	65,000	7,425	72,425				9,520,000	2,221,500	11,741,500					7,164,193	(2,289,318)	4,874,875	2,817,523	2,752,745	5,570,269		22,259,069
8/1/29	70,000	3,850	73,850				10,350,000	1,745,500	12,095,500					7,164,193	(2,289,318)	4,874,875	2,920,520	3,073,655	5,994,175		23,038,400
8/1/30							11,310,000	1,228,000	12,538,000					7,164,193	(2,289,318)	4,874,875	2,676,379	3,758,621	6,435,000		23,847,875
8/1/31							12,250,000	662,500	12,912,500				760,000	7,164,193	(2,289,318)	5,634,875	2,410,608	3,724,392	6,135,000		24,682,375
8/1/32							1,000,000	50,000	1,050,000				7,405,000	7,111,213	(2,272,388)	12,243,825	4,503,657	7,726,343	12,230,000		25,523,825
8/1/33													8,675,000	6,595,011	(2,107,436)	13,162,575	4,606,089	8,668,911	13,275,000		26,437,575
8/1/34													9,455,000	5,990,277	(1,914,193)	13,531,084	4,547,657	9,267,343	13,815,000		27,346,084
8/1/35													10,285,000	5,331,169	(1,703,575)	13,912,594	4,471,503	9,918,497	14,390,000		28,302,594
8/1/36													11,160,000	4,614,201	(1,474,468)	14,299,733	4,395,315	10,599,685	14,995,000		29,294,733
8/1/37													12,095,000	3,830,658	(1,224,087)	14,701,571	4,318,456	11,301,544	15,620,000		30,321,571
8/1/38													13,085,000	2,981,468	(952,728)	15,113,740	4,242,894	12,027,106	16,270,000		31,383,740
8/1/39													14,135,000	2,062,770	(659,158)	15,538,612	4,169,504	12,780,497	16,950,000		32,488,612
8/1/40													15,245,000	1,070,351	(342,031)	15,973,321	4,095,062	13,554,938	17,650,000		33,623,321
8/1/41																	8,284,957	25,275,043	33,560,000		33,560,000
8/1/42																	7,359,264	24,320,736	31,680,000		31,680,000
8/1/43																	7,549,950	26,985,050	34,535,000		34,535,000
Total	13,270,000	3,615,247	16,885,247	58,386,109	44,174,005	102,560,115	90,000,000	75,033,817	165,033,817	7,699,278	8,220,722	15,920,000	102,300,000	188,065,017	(60,581,559)	229,783,458	85,000,722	192,053,885	277,054,607		807,237,243
\$ of CABs			\$0			\$0			\$0			\$7,699,278				\$0			\$74,664,778		\$82,364,056
% of CABs			0.00%			0.00%			0.00%			100.00%				0.00%			87.84%		23.09%
Repayment Ratio			1.27 to 1			1.76 to 1			1.83 to 1			2.07 to 1				2.25 to 1			3.26 to 1		2.26 to 1

- (1) Assumes interest rates as of October 7, 2013 (approximately 5.8% - 6.1%).
- (2) Assumes 8.7% federal subsidy sequester reduction applies through term of financing.

Section IV

Additional Illustrative Measure C Issuance Scenarios

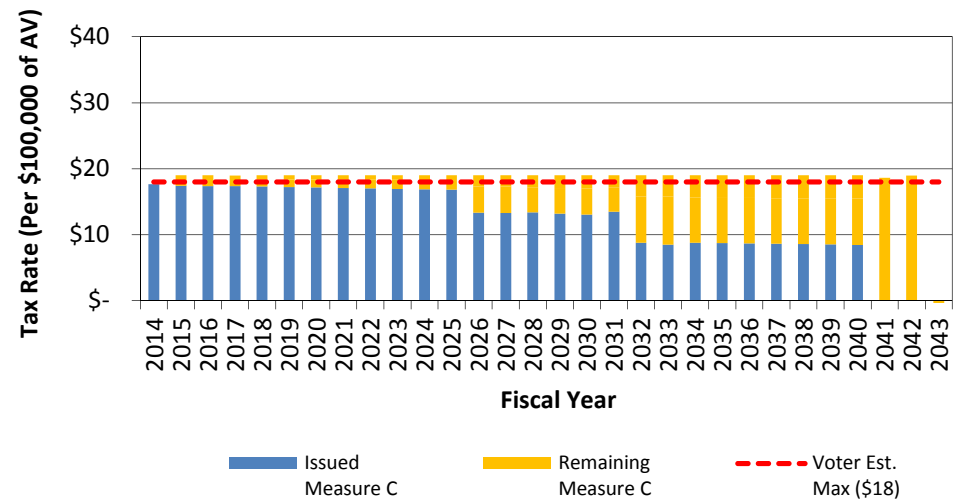
Illustrative Scenario 1 – Meet Est. Measure C Project Cashflow

For illustration purposes only, meeting the estimated Measure C project cashflow would result in a tax rate of approximately \$19 per \$100,000 of AV

Illustrative Issuance Schedule

Issue	Issue Date	Proceeds
Series 2004A	August 2004	\$ 55,205,000
Series 2004B	August 2004	9,795,000
Series 2007C	June 2007	90,000,000
Series 2010D	November 2010	7,699,278
Series 2010D-1	November 2010	102,300,000
Series E	March 2015	55,000,000
Series F	August 2017	30,000,722
Total		\$ 350,000,000

Projected Tax Rates



Note: Assumes District requests 2014-15 tax levy in advance of Series E bond issuance.

Repayment Ratios for Scenario 1 (AB 182 Compliant)

Date	Series 2004A & 2004B			2005 Refunding			Series 2007C			Series 2010D			Series 2010D-1				Series E & F ⁽¹⁾			
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Subsidy ⁽²⁾	Total	Principal	Interest	Total	Total
8/1/05	3,750,000	1,873,134	5,623,134	970,000	391,615	1,361,615														6,984,749
8/1/06	4,500,000	359,581	4,859,581	1,820,000	2,630,925	4,450,925														9,310,506
8/1/07	1,545,000	202,081	1,747,081	475,000	2,549,025	3,024,025	6,020,000	477,317	6,497,317											11,268,423
8/1/08	-	146,075	146,075	1,260,000	2,534,775	3,794,775	5,125,000	4,055,050	9,180,050											13,120,900
8/1/09	-	146,075	146,075	1,495,000	2,471,775	3,966,775	5,160,000	3,850,050	9,010,050											13,122,900
8/1/10	-	146,075	146,075	1,740,000	2,409,750	4,149,750	5,185,000	3,643,650	8,828,650											13,124,475
8/1/11	500,000	146,075	646,075	1,252,016	2,900,734	4,152,750	-	3,425,500	3,425,500				-	5,194,040	(1,817,914)	3,376,126				11,600,451
8/1/12	620,000	126,075	746,075	876,062	3,437,188	4,313,250	-	3,425,500	3,425,500				-	7,164,193	(2,507,468)	4,656,725				13,141,550
8/1/13	795,000	101,275	896,275	837,747	3,625,503	4,463,250	-	3,425,500	3,425,500				-	7,164,193	(2,398,393)	4,765,800				13,550,825
8/1/14	1,000,000	69,475	1,069,475	797,240	3,816,010	4,613,250	-	3,425,500	3,425,500				-	7,164,193	(2,289,318)	4,874,875				13,983,100
8/1/15	15,000	29,475	44,475	898,045	4,330,205	5,228,250	-	3,425,500	3,425,500	216,214	158,786	375,000	-	7,164,193	(2,289,318)	4,874,875	690,000	387,443	1,077,443	15,025,543
8/1/16	15,000	28,838	43,838	3,165,000	2,298,250	5,463,250	-	3,425,500	3,425,500	292,496	277,505	570,000	-	7,164,193	(2,289,318)	4,874,875	290,000	916,063	1,206,063	15,583,525
8/1/17	20,000	28,088	48,088	3,570,000	2,140,000	5,710,000	-	3,425,500	3,425,500	349,376	415,625	765,000	-	7,164,193	(2,289,318)	4,874,875	435,000	910,263	1,345,263	16,168,725
8/1/18	20,000	27,088	47,088	4,005,000	1,961,500	5,966,500	-	3,425,500	3,425,500	394,266	575,734	970,000	-	7,164,193	(2,289,318)	4,874,875	95,000	1,318,938	1,413,938	16,697,900
8/1/19	25,000	26,088	51,088	4,475,000	1,761,250	6,236,250	-	3,425,500	3,425,500	425,056	749,944	1,175,000	-	7,164,193	(2,289,318)	4,874,875	145,000	1,317,038	1,462,038	17,224,750
8/1/20	25,000	24,838	49,838	4,980,000	1,537,500	6,517,500	-	3,425,500	3,425,500	538,846	821,154	1,360,000	-	7,164,193	(2,289,318)	4,874,875	245,000	1,314,138	1,559,138	17,786,850
8/1/21	30,000	23,588	53,588	5,525,000	1,288,500	6,813,500	-	3,425,500	3,425,500	945,859	614,141	1,560,000	-	7,164,193	(2,289,318)	4,874,875	340,000	1,309,238	1,649,238	18,376,700
8/1/22	35,000	22,013	57,013	6,105,000	1,012,250	7,117,250	-	3,425,500	3,425,500	1,002,769	772,232	1,775,000	-	7,164,193	(2,289,318)	4,874,875	430,000	1,301,588	1,731,588	18,981,225
8/1/23	40,000	20,175	60,175	6,735,000	707,000	7,442,000	-	3,425,500	3,425,500	1,037,942	937,059	1,975,000	-	7,164,193	(2,289,318)	4,874,875	545,000	1,290,838	1,835,838	19,613,388
8/1/24	45,000	18,075	63,075	7,405,000	370,250	7,775,250	-	3,425,500	3,425,500	1,061,033	1,128,967	2,190,000	-	7,164,193	(2,289,318)	4,874,875	695,000	1,275,925	1,970,925	20,299,625
8/1/25	45,000	15,713	60,713				7,325,000	3,425,500	10,750,500	1,435,423	1,769,577	3,205,000	-	7,164,193	(2,289,318)	4,874,875	855,000	1,254,600	2,109,600	21,000,688
8/1/26	50,000	13,350	63,350				8,015,000	3,059,250	11,074,250				-	7,164,193	(2,289,318)	4,874,875	4,150,000	1,227,413	5,377,413	21,389,888
8/1/27	60,000	10,725	70,725				8,740,000	2,658,500	11,398,500				-	7,164,193	(2,289,318)	4,874,875	4,740,000	1,036,225	5,776,225	22,120,325
8/1/28	65,000	7,425	72,425				9,520,000	2,221,500	11,741,500				-	7,164,193	(2,289,318)	4,874,875	5,285,000	814,600	6,099,600	22,788,400
8/1/29	70,000	3,850	73,850				10,350,000	1,745,500	12,095,500				-	7,164,193	(2,289,318)	4,874,875	5,940,000	569,250	6,509,250	23,553,475
8/1/30							11,310,000	1,228,000	12,538,000				-	7,164,193	(2,289,318)	4,874,875	3,579,072	3,358,178	6,937,250	24,350,125
8/1/31							12,250,000	662,500	12,912,500				760,000	7,164,193	(2,289,318)	5,634,875	3,420,379	3,282,371	6,702,750	25,250,125
8/1/32							1,000,000	50,000	1,050,000				7,405,000	7,111,213	(2,272,388)	12,243,825	6,144,685	6,126,315	12,271,000	25,564,825
8/1/33													8,675,000	6,595,011	(2,107,436)	13,162,575	4,752,520	8,512,480	13,265,000	26,427,575
8/1/34													9,455,000	5,990,277	(1,914,193)	13,531,084	4,642,205	9,052,795	13,695,000	27,226,084
8/1/35													10,285,000	5,331,169	(1,703,575)	13,912,594	4,558,167	9,681,833	14,240,000	28,152,594
8/1/36													11,160,000	4,614,201	(1,474,468)	14,299,733	4,481,625	10,348,375	14,830,000	29,129,733
8/1/37													12,095,000	3,830,658	(1,224,087)	14,701,571	4,404,963	11,035,037	15,440,000	30,141,571
8/1/38													13,085,000	2,981,468	(952,728)	15,113,740	4,329,482	11,745,518	16,075,000	31,188,740
8/1/39													14,135,000	2,062,770	(659,158)	15,538,612	4,253,918	12,476,082	16,730,000	32,268,612
8/1/40													15,245,000	1,070,351	(342,031)	15,973,321	4,179,009	13,230,991	17,410,000	33,383,321
8/1/41																	5,965,899	18,659,101	24,625,000	24,625,000
8/1/42																	5,408,797	18,271,203	23,680,000	23,680,000
8/1/43																				
Total	13,270,000	3,615,247	16,885,247	58,386,109	44,174,005	102,560,115	90,000,000	75,033,817	165,033,817	7,699,278	8,220,722	15,920,000	102,300,000	188,065,017	(60,581,559)	229,783,458	85,000,722	152,023,833	237,024,555	767,207,191
\$ of CABs			\$0			\$0			\$0			\$7,699,278				\$0			\$54,674,726	\$62,374,005
% of CABs			0.00%			0.00%			0.00%			100.00%				0.00%			64.32%	17.49%
Repayment Ratio			1.27 to 1			1.76 to 1			1.83 to 1			2.07 to 1				2.25 to 1			2.79 to 1	2.15 to 1

- (1) Assumes interest rates as of October 7, 2013 (approximately 5.6% - 5.8%).
- (2) Assumes 8.7% federal subsidy sequester reduction applies through term of financing.

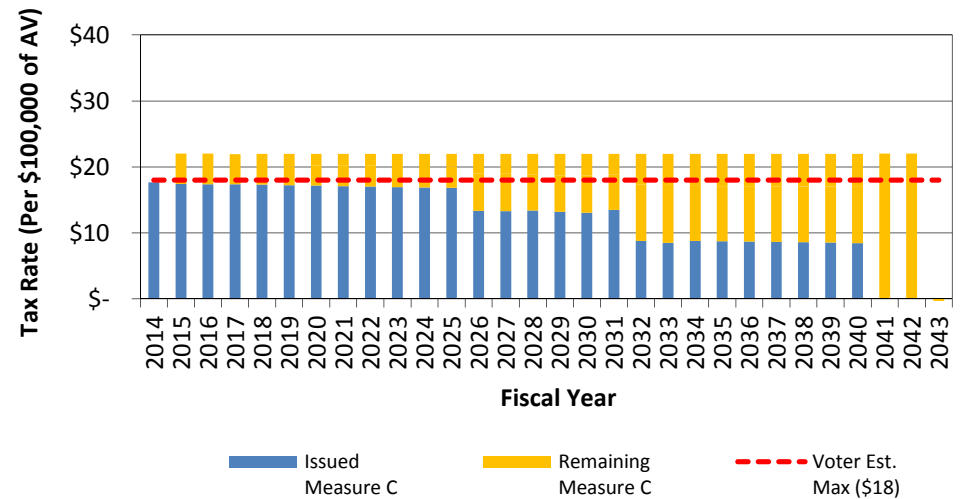
Illustrative Scenario 2 – No CABs

For illustration purposes only, utilizing no CABs while meeting the Measure C project timeline would result in a tax rate of approximately \$22 per \$100,000 of AV

Illustrative Issuance Schedule

Issue	Issue Date	Proceeds
Series 2004A	August 2004	\$ 55,205,000
Series 2004B	August 2004	9,795,000
Series 2007C	June 2007	90,000,000
Series 2010D	November 2010	7,699,278
Series 2010D-1	November 2010	102,300,000
Series E	March 2015	55,000,000
Series F	August 2017	30,000,722
Total		\$ 350,000,000

Projected Tax Rates



Note: Assumes District requests 2014-15 tax levy in advance of Series E bond issuance.

Repayment Ratios for Scenario 2 (AB 182 Compliant)

Date	Series 2004A & 2004B			2005 Refunding			Series 2007C			Series 2010D			Series 2010D-1				Series E & F ⁽¹⁾				
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Subsidy ⁽²⁾	Total	Principal	Interest	Total	Total	
8/1/05	3,750,000	1,873,134	5,623,134	970,000	391,615	1,361,615														6,984,749	
8/1/06	4,500,000	359,581	4,859,581	1,820,000	2,630,925	4,450,925														9,310,506	
8/1/07	1,545,000	202,081	1,747,081	475,000	2,549,025	3,024,025	6,020,000	477,317	6,497,317											11,268,423	
8/1/08	-	146,075	146,075	1,260,000	2,534,775	3,794,775	5,125,000	4,055,050	9,180,050											13,120,900	
8/1/09	-	146,075	146,075	1,495,000	2,471,775	3,966,775	5,160,000	3,850,050	9,010,050											13,122,900	
8/1/10	-	146,075	146,075	1,740,000	2,409,750	4,149,750	5,185,000	3,643,650	8,828,650											13,124,475	
8/1/11	500,000	146,075	646,075	1,252,016	2,900,734	4,152,750	-	3,425,500	3,425,500				-	5,194,040	(1,817,914)	3,376,126				11,600,451	
8/1/12	620,000	126,075	746,075	876,062	3,437,188	4,313,250	-	3,425,500	3,425,500				-	7,164,193	(2,507,468)	4,656,725				13,141,550	
8/1/13	795,000	101,275	896,275	837,747	3,625,503	4,463,250	-	3,425,500	3,425,500				-	7,164,193	(2,398,393)	4,765,800				13,550,825	
8/1/14	1,000,000	69,475	1,069,475	797,240	3,816,010	4,613,250	-	3,425,500	3,425,500				-	7,164,193	(2,289,318)	4,874,875				13,983,100	
8/1/15	15,000	29,475	44,475	898,045	4,330,205	5,228,250	-	3,425,500	3,425,500	216,214	158,786	375,000	-	7,164,193	(2,289,318)	4,874,875	-	1,121,847	1,121,847	15,069,947	
8/1/16	15,000	28,838	43,838	3,165,000	2,298,250	5,463,250	-	3,425,500	3,425,500	292,496	277,505	570,000	-	7,164,193	(2,289,318)	4,874,875	-	2,692,434	2,692,434	17,069,896	
8/1/17	20,000	28,088	48,088	3,570,000	2,140,000	5,710,000	-	3,425,500	3,425,500	349,376	415,625	765,000	-	7,164,193	(2,289,318)	4,874,875	-	2,692,434	2,692,434	17,515,896	
8/1/18	20,000	27,088	47,088	4,005,000	1,961,500	5,966,500	-	3,425,500	3,425,500	394,266	575,734	970,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	19,479,829	
8/1/19	25,000	26,088	51,088	4,475,000	1,761,250	6,236,250	-	3,425,500	3,425,500	425,056	749,944	1,175,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	19,958,579	
8/1/20	25,000	24,838	49,838	4,980,000	1,537,500	6,517,500	-	3,425,500	3,425,500	538,846	821,154	1,360,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	20,423,579	
8/1/21	30,000	23,588	53,588	5,525,000	1,288,500	6,813,500	-	3,425,500	3,425,500	945,859	614,141	1,560,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	20,923,329	
8/1/22	35,000	22,013	57,013	6,105,000	1,012,250	7,117,250	-	3,425,500	3,425,500	1,002,769	772,232	1,775,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	21,445,504	
8/1/23	40,000	20,175	60,175	6,735,000	707,000	7,442,000	-	3,425,500	3,425,500	1,037,942	937,059	1,975,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	21,973,416	
8/1/24	45,000	18,075	63,075	7,405,000	370,250	7,775,250	-	3,425,500	3,425,500	1,061,033	1,128,967	2,190,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	22,524,566	
8/1/25	45,000	15,713	60,713				7,325,000	3,425,500	10,750,500	1,435,423	1,769,577	3,205,000	-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	23,086,954	
8/1/26	50,000	13,350	63,350				8,015,000	3,059,250	11,074,250				-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	20,208,341	
8/1/27	60,000	10,725	70,725				8,740,000	2,658,500	11,398,500				-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	20,539,966	
8/1/28	65,000	7,425	72,425				9,520,000	2,221,500	11,741,500				-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	20,884,666	
8/1/29	70,000	3,850	73,850				10,350,000	1,745,500	12,095,500				-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	21,240,091	
8/1/30							11,310,000	1,228,000	12,538,000				-	7,164,193	(2,289,318)	4,874,875	-	4,195,866	4,195,866	21,608,741	
8/1/31							12,250,000	662,500	12,912,500				760,000	7,164,193	(2,289,318)	5,634,875	-	4,195,866	4,195,866	22,743,241	
8/1/32							1,000,000	50,000	1,050,000				7,405,000	7,111,213	(2,272,388)	12,243,825	3,035,000	4,195,866	7,230,866	20,524,691	
8/1/33													8,675,000	6,595,011	(2,107,436)	13,162,575	4,060,000	4,044,116	8,104,116	21,266,691	
8/1/34													9,455,000	5,990,277	(1,914,193)	13,531,084	4,420,000	3,841,116	8,261,116	21,792,200	
8/1/35													10,285,000	5,331,169	(1,703,575)	13,912,594	5,085,000	3,625,641	8,710,641	22,623,235	
8/1/36													11,160,000	4,614,201	(1,474,468)	14,299,733	5,850,000	3,384,104	9,234,104	23,533,837	
8/1/37													12,095,000	3,830,658	(1,224,087)	14,701,571	6,800,000	3,102,719	9,902,719	24,604,289	
8/1/38													13,085,000	2,981,468	(952,728)	15,113,740	7,830,000	2,772,419	10,602,419	25,716,158	
8/1/39													14,135,000	2,062,770	(659,158)	15,538,612	8,930,000	2,388,578	11,318,578	26,857,189	
8/1/40													15,245,000	1,070,351	(342,031)	15,973,321	10,365,000	1,704,225	12,069,225	28,042,545	
8/1/41																14,310,000	1,431,245	15,741,245	15,741,245	15,741,245	15,741,245
8/1/42																14,315,722	700,713	15,016,435	15,016,435	15,016,435	15,016,435
8/1/43																					
Total	13,270,000	3,615,247	16,885,247	58,386,109	44,174,005	102,560,115	90,000,000	75,033,817	165,033,817	7,699,278	8,220,722	15,920,000	102,300,000	188,065,017	(60,581,559)	229,783,458	85,000,722	96,439,578	181,440,300	711,622,936	
\$ of CABs			\$0			\$0			\$0			\$7,699,278				\$0			\$0	\$7,699,278	
% of CABs			0.00%			0.00%			0.00%			100.00%				0.00%			0.00%	2.16%	
Repayment Ratio			1.27 to 1			1.76 to 1			1.83 to 1			2.07 to 1				2.25 to 1			2.13 to 1	2.00 to 1	

- (1) Assumes interest rates as of October 7, 2013 (approximately 4.9% - 5.0%).
- (2) Assumes 8.7% federal subsidy sequester reduction applies through term of financing.

Considerations

Factors impacting Measure C include:

- ◆ AV
- ◆ Interest rates
- ◆ CABs (AB 182)

Following are considerations for the District as it considers its future Measure C issuances:

- ◆ Issuance of CABs
- ◆ Delay/eliminate/reprioritize bond projects
- ◆ Future tax rates
- ◆ Future potential legislation



Agenda Item (IV-D-2)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Resources (IV-D-2)
Subject	2012-2013 Independent Audit Report for the Riverside Community College District
College/District	District
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees receive the Riverside Community College District's independent audit reports for the year ended June 30, 2013 for the permanent file of the District.

Background Narrative:

In accordance with Education Code Section 84040(b), an independent audit of the District's 2012-2013 financial statements was performed by Vavrinek, Trine, Day & Co., LLP Certified Public Accountants (VTD). A representative of the firm will be available to present the report. Results of the audit are summarized below.

Auditor's Opinion

The auditor has issued an unqualified opinion for the financial audit; an excerpt of which follows:

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

Current Year Audit Findings

There is no current year audit finding as shown on pages 79 through 82 of the accompanying audit report.

Prior Year Audit Findings

The recommendations for the prior year audit findings have been implemented, these are discussed on pages 83 through 94.

Auditor's Required Communication – Audit Completion

In accordance with Statement on Auditing Standards No. 114, at the conclusion of the audit engagement VTD is required to communicate information to the Board of Trustees regarding their responsibility under United States Generally Accepted Auditing Standards and OMB Circular A-133, significant accounting policies, accounting estimates, significant audit adjustments and uncorrected misstatements, disagreements with management, consultation with other independent accountants, issues discussed prior to retention of independent auditors and difficulties encountered in performing the audit. Attached for your information is the required communication issued by VTD.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services
Bill Bogle, Controller

Attachments:

12032013_RCCD Annual Financial Report FY12-13
12032013_VTD SAS 114 Letter



RIVERSIDE COMMUNITY
COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2013 AND 2012

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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JUNE 30, 2013 AND 2012

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FINANCIAL SECTION



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' 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 of Riverside Community College District (the District) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 financial position of the business-type activities of the District as of June 30, 2013 and 2012, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 62 for the year ended June 30, 2013. These changes require a restatement of the beginning net position of the District as discussed in Note 17. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 4 through 11 and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vaurine, Time, Day & Co., LLP.

Riverside, California
November 18, 2013

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Riverside Community College District (the District) as of June 30, 2013. 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, 2013. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with District management.

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 obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

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

FINANCIAL HIGHLIGHTS

- The District's primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2012-2013 fiscal year, total reported resident FTES were 25,119 as compared to 25,858 in the 2011-2012 fiscal year. Total unfunded credit FTES was 9 for fiscal year 2012-2013 and 983 for fiscal year 2011-2012.
- Several construction and modernization projects at the District's three colleges resulted in completed buildings, building improvements, and improvements to sites totaling \$27,476,535 in the 2012-2013 fiscal year. The projects, listed below, are funded through the District's voter approved General Obligation Bond, Measure C.

Alumni Carriage House Restoration – District
Mechanical Upgrades – Moreno Valley
Network Operations Center – Norco

Emergency Phones – Moreno Valley
HVAC Retrofit – Moreno Valley
Secondary Effects - Norco

RIVERSIDE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 AND 2012

- Employee salaries decreased by 2.86 percent or \$3.0 million from the 2011-2012 fiscal year and employee benefits decreased by 1.38 percent or \$.5 million. The decrease in salaries is primarily due to a District-wide hiring freeze for full-time employees, employee layoffs, and a supplementary retirement plan (SRP) offer enacted in fiscal year 2011-2012. In addition, the District reduced the number of sections offering to realize net budget reductions resulting in a decrease in the use of associate faculty. The decrease in benefit costs is primarily due to the aforementioned hiring freeze, layoffs, and SRP offered in addition to an increase in health and welfare benefits.
- During the 2012-2013 fiscal year, the District provided over \$65.4 million in financial aid to students attending classes at the three colleges. 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.

Federal Pell Grants (PELL)	\$ 38,040,410
Federal Supplement Education Opportunity Grant (FSEOG)	980,884
Federal Direct Student Loans (Direct Loans)	4,235,107
Federal Work Study Program (FWS)	1,015,681
State of California Cal Grant B (CALG-B)	1,845,632
State of California Cal Grant C (CALG-C)	73,564
California Community College Board of Governor's Fee Wavier	19,192,627
Total Financial Aid Provided to Students	<u>\$ 65,383,905</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 AND 2012

THE DISTRICT AS A WHOLE

Net Position

Table 1

(Amounts in thousands)

	2013	2012*	Change	2011	Change
ASSETS					
Current Assets					
Cash and investments	\$ 96,506	\$ 110,626	\$ (14,120)	\$ 161,776	\$ (65,270)
Accounts receivable (net)	44,588	48,244	(3,656)	52,590	(8,002)
Other current assets	351	265	86	236	115
Total Current Assets	<u>141,445</u>	<u>159,135</u>	<u>(17,690)</u>	<u>214,602</u>	<u>(73,157)</u>
Other noncurrent assets	1,415	1,541	(126)	1,623	(208)
Capital assets (net)	369,636	352,225	17,411	301,606	68,030
Total Assets	<u>\$ 512,496</u>	<u>\$ 512,901</u>	<u>\$ (405)</u>	<u>\$ 517,831</u>	<u>\$ (5,335)</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	43,548	35,100	8,448	42,785	763
Current portion of long-term obligations	5,592	8,592	(3,000)	7,101	(1,509)
Total Current Liabilities	<u>49,140</u>	<u>43,692</u>	<u>5,448</u>	<u>49,886</u>	<u>(746)</u>
Long-Term Obligations	248,847	250,264	(1,417)	250,959	(2,112)
Total Liabilities	<u>297,987</u>	<u>293,956</u>	<u>4,031</u>	<u>300,845</u>	<u>(2,858)</u>
NET POSITION					
Net investment in capital assets	189,182	196,848	(7,666)	181,872	7,310
Restricted	22,018	21,943	75	27,176	(5,158)
Unrestricted	3,309	154	3,155	7,938	(4,629)
Total Net Position	<u>\$ 214,509</u>	<u>\$ 218,945</u>	<u>\$ (4,436)</u>	<u>\$ 216,986</u>	<u>\$ (2,477)</u>

* As restated.

The District's components of assets, liabilities, and net position are noted on page 13.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 AND 2012

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

(Amounts in thousands)

	2013	2012	Change	2011	Change
Operating Revenues					
Tuition and fees (net)	\$ 15,255	\$ 13,820	\$ 1,435	\$ 14,248	\$ 1,007
Other operating revenues	-	3	(3)	2	(2)
Total Operating Revenues	15,255	13,823	1,432	14,250	1,005
Operating Expenses					
Salaries and benefits	134,462	137,923	(3,461)	146,574	(12,112)
Supplies and maintenance	33,531	41,668	(8,137)	31,623	1,908
Student financial aid	46,767	45,575	1,192	51,888	(5,121)
Depreciation	18,593	11,833	6,760	11,095	7,498
Total Operating Expenses	233,353	236,999	(3,646)	241,180	(7,827)
Loss on Operations	(218,098)	(223,176)	5,078	(226,930)	8,832
Nonoperating Revenues					
State apportionments	84,732	88,517	(3,785)	100,149	(15,417)
Property taxes	37,187	36,803	384	36,033	1,154
State revenues	5,604	4,814	790	5,078	526
Federal and State grants and contracts	69,029	67,186	1,843	74,535	(5,506)
Net investment income	950	1,331	(381)	1,622	(672)
Net interest expense	(13,785)	(15,265)	1,480	(12,287)	(1,498)
Other nonoperating revenues	20,800	12,174	8,626	12,877	7,923
Loss on disposal of assets	(584)	(10)	(574)	(22)	(562)
Total Nonoperating Revenue	203,933	195,550	8,383	217,985	(14,052)
Other Revenues					
State capital income	9,729	12,941	(3,212)	30,377	(20,648)
Net Increase (Decrease) in Net Position	\$ (4,436)	\$ (14,685)	\$ 10,249	\$ 21,432	\$ (25,868)

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in fiscal year 2012-2013. Property taxes levied and received from property within the District's boundaries increased slightly 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.

During 2012-2013, the District's interest income was \$1.0 million and interest expense was \$13.8 million. Interest income is primarily derived from cash held in the Riverside County Treasury. Interest income has decreased approximately \$.4 million from the 2011-2012 fiscal year due to significantly lower interest rates and the State's apportionment deferral strategy passed along to community colleges. A decrease of \$1.5 million in interest expense for the year is the result of lower General Obligation Bond principal and slightly lower interest rates on that principal.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2013 AND 2012**

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

Year ended June 30, 2013:

(Amounts in thousands)

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional activities	\$ 64,743	\$ 3,473	\$ -	\$ -	\$ 68,216
Academic support	33,066	16,738	-	-	49,804
Student services	17,097	3,324	-	-	20,421
Plant operations and maintenance	6,594	5,764	-	-	12,358
Instructional support services	5,069	756	-	-	5,825
Community services and economic development	1,177	461	-	-	1,638
Ancillary services and auxiliary operations	6,140	2,999	-	-	9,139
Student aid	-	-	46,767	-	46,767
Physical property and related acquisitions	576	16	-	-	592
Unallocated depreciation	-	-	-	18,593	18,593
Total	<u>\$ 134,462</u>	<u>\$ 33,531</u>	<u>\$ 46,767</u>	<u>\$ 18,593</u>	<u>\$ 233,353</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 AND 2012

Year ended June 30, 2012:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional activities	\$ 64,973	\$ 4,532	\$ -	\$ -	\$ 69,505
Academic support	36,714	16,669	-	-	53,383
Student services	16,514	2,855	-	-	19,369
Plant operations and maintenance	6,674	5,212	-	-	11,886
Instructional support services	5,232	659	-	-	5,891
Community services and economic development	1,239	523	-	-	1,762
Ancillary services and auxiliary operations	6,193	2,993	-	-	9,186
Student aid	-	-	45,575	-	45,575
Physical property and related acquisitions	385	8,225	-	-	8,610
Unallocated depreciation	-	-	-	11,833	11,833
Total	\$ 137,924	\$ 41,668	\$ 45,575	\$ 11,833	\$ 237,000

Changes in Cash Position

Table 4

(Amounts in thousands)

	2013	2012	Change	2011	Change
Cash Provided by (Used in)					
Operating activities	\$ (191,018)	\$ (211,183)	\$ 20,165	\$ (210,238)	\$ 19,220
Noncapital financing activities	207,545	201,311	6,234	212,464	(4,919)
Capital financing activities	(31,613)	(42,709)	11,096	72,875	(104,488)
Investing activities	966	1,431	(465)	1,505	(539)
Net Increase (Decrease) in Cash	(14,120)	(51,150)	37,030	76,606	(90,726)
Cash, Beginning of Year	110,626	161,776	(51,150)	85,170	25,456
Cash, End of Year	\$ 96,506	\$ 110,626	\$ (14,120)	\$ 161,776	\$ (65,270)

The Statement of Cash Flows on pages 15 and 16 provides information about our 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 AND 2012

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the District had \$475.4 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2013, the District's net capital assets were \$369.6 million. Major capital improvement projects are ongoing throughout the college campuses. These projects are primarily funded through State Construction Revenues and District General Obligation Bonds. Projects are accounted for within our 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.

Table 5

(Amounts in thousands)

	Balance Beginning of Year, as Restated	Additions	Deletions	Balance End of Year
Land and construction in progress	\$ 59,427	\$ 32,726	\$ (25,562)	\$ 66,591
Buildings and land improvements	347,313	27,477	(2,353)	372,437
Equipment and vehicles	34,809	1,948	(359)	36,398
Subtotal	441,549	62,151	(28,274)	475,426
Accumulated depreciation	(89,325)	(18,593)	2,128	(105,790)
	<u>\$ 352,224</u>	<u>\$ 43,558</u>	<u>\$ (26,146)</u>	<u>\$ 369,636</u>

Obligations

At the end of the 2012-2013 fiscal year, the District had \$241.5 million in General Obligation Bonds outstanding. These bonds are repaid in annual installments, in accordance with the obligation requirements, by way of property tax assessments on property within the Riverside Community College District's boundaries.

The District is also obligated to employees of the District for vacation, load banking benefits, and retirement payments.

Lease purchase agreements for equipment have been entered into to finance certain capital assets.

Table 6

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation bonds	\$ 243,149	\$ 1,399	\$ (3,032)	\$ 241,516
Other liabilities	12,567	3,406	(3,049)	12,924
Total Long-Term Obligations	<u>\$ 255,716</u>	<u>\$ 4,805</u>	<u>\$ (6,081)</u>	<u>\$ 254,440</u>
Amount due within one year				<u>\$ 5,592</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 AND 2012

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 2012-2013 fiscal year on June 18, 2013.

The District's final revised budget for the unrestricted General Fund anticipated that expenditures would exceed revenue by \$2.3 million. The actual results for the year showed revenues exceeded expenditures by \$4.3 million.

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 62.19 percent. The District reported a decrease of 739 FTES during fiscal year 2012-2013 which resulted from the District budget strategy to offer fewer course sections to reduce costs and the number of unfunded FTES. The District's fiscal year 2013-2014 adopted budget incorporated the following budget strategies among others: imposed a District office and support services budget reduction of \$.74 million; reduced the off-year election budget by \$.30 million; and a Board-approved contingency reduction from 5 percent to 3.8 percent to help mitigate an initial projected budget shortfall of \$4.1 million. The District continues to monitor enrollment and operating costs to ensure ongoing financial stability and retain the reserve levels required by Board Policy and the State Chancellor's Office.

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 4800 Magnolia Avenue, Riverside, California 92506.

BASIC FINANCIAL STATEMENTS

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 872,926	\$ 1,243,741
Investments - unrestricted	12,424,343	1,333,557
Investments - restricted	83,208,895	108,048,997
Accounts receivable	44,143,201	47,912,606
Student accounts receivable, net	445,158	331,086
Due from fiduciary funds	94,410	28,742
Prepaid expenses	102,801	107,561
Deferred cost on issuance	125,978	99,156
Inventories	27,367	29,791
Total Current Assets	<u>141,445,079</u>	<u>159,135,237</u>
Noncurrent Assets		
Deferred cost on issuance - noncurrent portion	1,414,748	1,541,226
Nondepreciable capital assets	66,590,738	59,426,570
Depreciable capital assets, net of depreciation	303,045,236	292,797,687
Total Noncurrent Assets	<u>371,050,722</u>	<u>353,765,483</u>
TOTAL ASSETS	<u>512,495,801</u>	<u>512,900,720</u>
LIABILITIES		
Current Liabilities		
Accounts payable	10,270,030	15,032,228
Short-term borrowing	19,805,000	8,960,000
Accrued interest payable	5,412,174	6,371,623
Due to fiduciary funds	57,584	38,159
Deferred revenue	4,802,660	4,698,014
Claims liability	3,200,000	3,140,000
Compensated absences payable - current portion	1,299,513	1,498,186
Bonds payable - current portion	2,960,000	2,635,000
Lease obligations - current portion	47,578	33,913
Other long-term obligations - current portion	1,284,856	1,284,856
Total Current Liabilities	<u>49,139,395</u>	<u>43,691,979</u>
Noncurrent Liabilities		
Compensated absences payable - noncurrent portion	1,249,300	1,090,966
Bonds payable - noncurrent portion	231,327,828	232,889,196
Net debt premium	7,227,791	7,624,866
Lease obligations - noncurrent portion	118,548	108,593
Other long-term obligations - noncurrent portion	8,924,218	8,550,056
Total Noncurrent Liabilities	<u>248,847,685</u>	<u>250,263,677</u>
TOTAL LIABILITIES	<u>297,987,080</u>	<u>293,955,656</u>
NET POSITION		
Net investment in capital assets	189,182,238	196,848,316
Restricted for:		
Debt service	5,811,860	5,279,651
Capital projects	6,716,128	7,891,527
Educational programs	9,489,127	8,771,829
Unrestricted	3,309,368	153,741
TOTAL NET POSITION	<u>\$ 214,508,721</u>	<u>\$ 218,945,064</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

	2013	2012
OPERATING REVENUES		
Student Tuition and Fees	\$ 34,447,543	\$ 28,691,148
Less: Scholarship discount and allowance	(19,192,627)	(14,870,480)
Net tuition and fees	15,254,916	13,820,668
Other Operating Revenues	296	2,794
TOTAL OPERATING REVENUES	15,255,212	13,823,462
OPERATING EXPENSES		
Salaries	102,014,682	105,022,839
Employee benefits	32,447,122	32,900,152
Supplies, materials, and other operating expenses and services	32,151,415	31,269,625
Student financial aid	46,767,408	45,575,301
Equipment, maintenance, and repairs	1,380,028	10,397,955
Depreciation	18,592,580	11,833,261
TOTAL OPERATING EXPENSES	233,353,235	236,999,133
OPERATING LOSS	(218,098,023)	(223,175,671)
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	84,731,624	88,517,209
Federal grants	58,614,887	57,390,248
State grants	10,414,479	9,795,854
Local property taxes levied for general purposes	24,675,519	24,351,264
Local property taxes levied for capital debt	12,511,382	12,451,654
State taxes and other revenues	5,604,071	4,814,300
Investment income	923,765	1,292,122
Interest expense on capital related debt	(13,784,557)	(15,264,865)
Investment income on capital related debt, net	25,705	38,544
Loss on disposal of capital assets	(584,330)	(10,513)
Other nonoperating revenue	20,800,350	12,174,187
TOTAL NONOPERATING REVENUES (EXPENSES)	203,932,895	195,550,004
LOSS BEFORE OTHER REVENUES	(14,165,128)	(27,625,667)
OTHER REVENUES		
State revenues, capital	9,728,785	12,940,526
CHANGE IN NET POSITION	(4,436,343)	(14,685,141)
NET POSITION, BEGINNING OF YEAR	218,945,064	216,986,120
PRIOR PERIOD RESTATEMENT (see Note 17)	-	16,644,085
NET POSITION, END OF YEAR	\$ 214,508,721	\$ 218,945,064

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 15,076,347	\$ 14,054,074
Short-term borrowings	10,845,000	(2,750,000)
Payments to vendors for supplies and services	(36,093,864)	(39,968,023)
Payments to or on behalf of employees	(134,078,075)	(136,946,669)
Payments to students for Federal direct student aid	(44,272,080)	(43,696,556)
Payments to students for State direct student aid	(1,919,196)	(1,878,745)
Payments to students for Local direct student aid	(576,132)	-
Other operating receipts	296	2,794
Net Cash Flows From Operating Activities	<u>(191,017,704)</u>	<u>(211,183,125)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	88,194,864	81,559,205
Federal grants and contracts	60,563,696	59,575,682
State grants and contracts	10,826,447	8,852,242
Property taxes - non-debt related	24,735,651	24,513,244
State taxes and other apportionments	2,387,405	12,722,803
Other nonoperating	20,836,563	14,087,527
Net Cash Flows From Noncapital Financing Activities	<u>207,544,626</u>	<u>201,310,703</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(38,584,131)	(51,625,122)
Proceeds from issuance of capital leases	68,256	-
State revenue, capital projects	9,728,785	12,940,526
Property taxes - related to capital debt	12,511,382	12,451,654
Principal paid on capital debt	(3,076,711)	(2,769,555)
Interest paid on capital debt	(13,784,557)	(15,264,865)
Interest received on capital related debt	25,705	38,544
Accreted interest on general obligation bonds	1,398,632	1,435,921
Deferred cost on issuance	99,656	84,487
Net Cash Flows From Capital Financing Activities	<u>(31,612,983)</u>	<u>(42,708,410)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	965,930	1,430,940
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,120,131)	(51,149,892)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	110,626,295	161,776,187
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 96,506,164</u>	<u>\$ 110,626,295</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

	<u>2013</u>	<u>2012</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	\$ (218,098,023)	\$ (223,175,671)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities:		
Depreciation	18,592,580	11,833,261
Changes in Operating Assets and Liabilities:		
Student receivables, net	(114,072)	34,282
Inventories	2,424	1,545
Prepaid expenses	4,760	(34,211)
Accounts payable and other accrued liabilities	(2,275,028)	1,240,905
Deferred revenue	(309,168)	520,453
Compensated absences	(44,424)	(99,672)
Supplementary Retirement Plan (SRP)	(1,284,856)	202,782
Other postemployment benefits (OPEB)	1,663,103	1,043,201
Short-term borrowings	10,845,000	(2,750,000)
Total Adjustments	<u>27,080,319</u>	<u>11,992,546</u>
Net Cash Flows From Operating Activities	<u>\$ (191,017,704)</u>	<u>\$ (211,183,125)</u>
 CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash in banks	\$ 872,926	\$ 1,243,741
Unrestricted cash in county treasury	12,424,343	1,333,557
Restricted cash in county treasury	83,208,895	108,048,997
Total Cash and Cash Equivalents	<u>\$ 96,506,164</u>	<u>\$ 110,626,295</u>
 NON CASH TRANSACTIONS		
On behalf payments for benefits	\$ 3,301,204	\$ 3,132,192
Loss on disposal of capital assets	584,330	10,513
	<u>\$ 3,885,534</u>	<u>\$ 3,142,705</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF FIDUCIARY NET POSITION
 JUNE 30, 2013 AND 2012**

	2013	2012
	Trust	Trust
ASSETS		
Cash and cash equivalents	\$ 2,041,953	\$ 1,877,595
Accounts receivable, net	13,137	1,171
Due from primary government funds	57,584	38,159
Total Assets	<u>2,112,674</u>	<u>1,916,925</u>
 LIABILITIES		
Accounts payable	97,560	48,474
Due to primary government funds	94,410	28,742
Due to student groups	1,114,982	991,095
Total Liabilities	<u>1,306,952</u>	<u>1,068,311</u>
 NET POSITION		
Unreserved	805,722	848,614
Total Net Position	<u>\$ 805,722</u>	<u>\$ 848,614</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

	2013	2012
	Trust	Trust
ADDITIONS		
Local revenues	\$ 594,712	\$ 614,011
DEDUCTIONS		
Books and supplies	388,447	371,377
Services and operating expenditures	335,812	245,507
Capital outlay	3,991	111,896
Total Deductions	<u>728,250</u>	<u>728,780</u>
OTHER FINANCING SOURCES (USES)		
Other sources	90,646	-
Other uses	-	(31,178)
Total Other Financing Sources (Uses)	<u>90,646</u>	<u>(31,178)</u>
Change in Net Position	(42,892)	(145,947)
Net Position - Beginning	848,614	994,561
Net Position - Ending	<u>\$ 805,722</u>	<u>\$ 848,614</u>

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

NOTES TO FINANCIAL STATEMENTS

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent 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 incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred; when goods are received or services are rendered.

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be 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 unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

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

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets are classified on the Statement of Net Position because their use is limited by enabling legislation, applicable bond covenants, and other laws of other governments. Also, resources have been set aside to satisfy certain requirements of the bonded debt issuance and to fund certain capital asset projects.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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 \$111,289 and \$82,771 for the years ended June 30, 2013 and 2012, respectively.

Prepaid Expenses

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

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.

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 estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

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

Accrued Liabilities and Long-term Obligations

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

Deferred Issuance Costs, Premiums, and Discounts

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

Deferred amount on refunding is amortized using the straight line method over the remaining life of the new debt.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. The District 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.

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 available to all full-time employees based on the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement Systems (CalPERS) criteria.

Deferred Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include bonds and notes payable, compensated absences, claims payable, capital lease obligations, and OPEB obligations with maturities greater than one year.

Net Position

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

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

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The entity-wide financial statements report \$22,017,115 of restricted net position.

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.

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Federal Financial Assistance Programs

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

On Behalf Payments

GASB Statement No. 24 requires direct on behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on behalf payments to CalSTRS on behalf of all community colleges in California.

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 within the primary government funds during the consolidation process in the entity-wide financial statements.

Changes in Accounting Principles

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

The District has implemented the provisions of this Statement for the year ended June 30, 2013. See Note 17 for more information.

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

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

New Accounting Pronouncements

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

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

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

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

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

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

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

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

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

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

Comparative Financial Information

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

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The County Treasurer also holds investments in a separate investment agreement account other than the County Pooled Investment noted above on behalf of the District. Funds in this investment agreement are strictly related to the District's general obligation bonds.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

General Authorizations

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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

Summary of Deposits and Investments

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

	<u>Primary Government</u>
Cash on hand and in banks	\$ 822,926
Cash in revolving	50,000
Investments	<u>95,633,238</u>
Total Deposits and Investments	<u><u>\$ 96,506,164</u></u>
	<u>Fiduciary Funds</u>
Cash on hand and in banks	<u><u>\$ 2,041,953</u></u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Interest Rate Risk

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

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:

<u>Investment Type</u>	<u>Fair Market Value</u>	<u>Maturity Date</u>
Riverside County Investment Pool	<u>\$ 95,354,669</u>	*1.41

*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 County pool are rated AAA/V1 by Fitch Ratings Ltd. as of June 30, 2013.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Rating June 30, 2013</u>	<u>Fair Market Value</u>
Riverside County Investment Pool	Not Required	AAA/V1	<u>\$ 95,354,669</u>

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2013, the District and fiduciary funds had bank balances of \$869,711 and \$2,034,722, respectively, totaling \$2,904,433 of which \$1,950,063 was exposed to custodial credit risk because it was uninsured and 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

NOTE 5 - CAPITAL ASSETS

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

	Beginning of Year, as Restated	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 32,502,697	\$ -	\$ -	\$ 32,502,697
Construction in progress	26,923,873	32,725,936	25,561,768	34,088,041
Total Capital Assets Not Being Depreciated	<u>59,426,570</u>	<u>32,725,936</u>	<u>25,561,768</u>	<u>66,590,738</u>
Capital Assets Being Depreciated				
Land improvements	12,419,190	237,328	-	12,656,518
Buildings and improvements	334,894,638	27,239,207	2,353,339	359,780,506
Furniture and equipment	34,808,902	1,947,924	358,547	36,398,279
Total Capital Assets Being Depreciated	<u>382,122,730</u>	<u>29,424,459</u>	<u>2,711,886</u>	<u>408,835,303</u>
Total Capital Assets	<u>441,549,300</u>	<u>62,150,395</u>	<u>28,273,654</u>	<u>475,426,041</u>
Less Accumulated Depreciation				
Land improvements	6,270,961	1,652,721	-	7,923,682
Buildings and improvements	55,259,053	13,885,278	1,882,671	67,261,660
Furniture and equipment	27,795,029	3,054,581	244,885	30,604,725
Total Accumulated Depreciation	<u>89,325,043</u>	<u>18,592,580</u>	<u>2,127,556</u>	<u>105,790,067</u>
Net Capital Assets	<u>\$ 352,224,257</u>	<u>\$ 43,557,815</u>	<u>\$ 26,146,098</u>	<u>\$ 369,635,974</u>

Depreciation expense for the year was \$18,592,580.

Interest expense on capital related debt for the year was \$13,784,557. Of this amount, \$1,375,826 was capitalized.

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, 2013, the District has not recorded a value for the collection in the financial statements.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

	Balance Beginning of Year	Additions	Deductions	*GASB Statement No. 62 Restatement	Balance End of Year, as Restated
Capital Assets Not Being Depreciated					
Land	\$ 32,502,697	\$ -	\$ -	\$ -	\$ 32,502,697
Construction in progress	79,011,622	42,736,962	96,291,533	1,466,822	26,923,873
Total Capital Assets Not Being Depreciated	111,514,319	42,736,962	96,291,533	1,466,822	59,426,570
Capital Assets Being Depreciated					
Land improvements	11,598,766	489,309	-	331,115	12,419,190
Buildings and improvements	223,391,830	94,919,467	-	16,583,341	334,894,638
Furniture and equipment	31,046,995	3,963,888	201,981	-	34,808,902
Total Capital Assets Being Depreciated	266,037,591	99,372,664	201,981	16,914,456	382,122,730
Total Capital Assets	377,551,910	142,109,626	96,493,514	18,381,278	441,549,300
Less Accumulated Depreciation					
Land improvements	5,773,770	402,927	-	94,264	6,270,961
Buildings and improvements	45,251,975	8,364,149	-	1,642,929	55,259,053
Furniture and equipment	24,920,312	3,066,185	191,468	-	27,795,029
Total Accumulated Depreciation	75,946,057	11,833,261	191,468	1,737,193	89,325,043
Net Capital Assets	\$ 301,605,853	\$ 130,276,365	\$ 96,302,046	\$ 16,644,085	\$ 352,224,257

* As restated. See Note 17 for more information.

Depreciation expense for the year was \$11,833,261.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government	
	2013	2012
Accrued payroll and benefits	\$ 803,980	\$ 754,074
Apportionment	1,466,897	2,838,589
Student financial aid grants	1,636,868	1,518,294
State categorical programs	99,031	131,712
Construction payables	3,642,338	5,637,842
Vendor payables	2,620,916	4,151,717
Total	\$ 10,270,030	\$ 15,032,228
	Fiduciary Funds	
	2013	2012
Vendor payables	\$ 97,560	\$ 48,474

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 7 - DEFERRED REVENUE

Deferred revenue consisted of the following:

	Primary Government	
	2013	2012
Federal financial assistance	\$ 1,063	\$ 2,909
State categorical aid	1,548,578	1,130,669
Other State aid	262,516	505,609
Enrollment fees	1,741,830	1,625,671
Theater subscriptions	27,076	168,849
Health and liability self-insurance	1,050,581	1,008,832
Summer community education fees	17,911	56,794
Other local	153,105	198,681
Total	<u>\$ 4,802,660</u>	<u>\$ 4,698,014</u>

NOTE 8 - TAX AND REVENUE ANTICIPATION NOTES

At June 30, 2012, the District had outstanding Tax and Revenue Anticipation Notes in the amount of \$8,960,000 bearing interest of two percent. The notes were sold to supplement cash flow. Repayment requires that a percentage of principal and interest be deposited with the fiscal agent in July 2012 until 100 percent of the total principal and interest is due at maturity on December 31, 2012. The total outstanding Tax and Revenue Anticipation Notes of \$8,960,000 was paid in full to the fiscal agent on July 31, 2012.

On July 1, 2012, the District issued \$5,000,000 Tax and Revenue Anticipation Notes bearing interest at two percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on March 1, 2013. The total outstanding Tax and Revenue Anticipation Notes of \$5,000,000 was paid in full to the fiscal agent on January 31, 2013.

At June 30, 2013, the District had outstanding Tax and Revenue Anticipation Notes in the amount of \$19,805,000 bearing interest of two percent. The notes were sold to supplement cash flow. Repayment requires that a percentage of principal and interest be deposited with the fiscal agent in July 2013 until 100 percent of the total principal and interest is due at maturity on October 31, 2013. The total outstanding Tax and Revenue Anticipation Notes of \$19,805,000 was paid in full to the fiscal agent on July 31, 2013. As of June 30, 2013, the Tax and Revenue Anticipation Notes of \$19,805,000, and the related accrued interest and cash held in trust, are included in these financial statements.

	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year
2011-2012 2.00% TRANS, Series T	\$ 8,960,000	\$ -	\$ 8,960,000	\$ -
2012-2013 2.00% TRANS, Series A	-	5,000,000	5,000,000	-
2012-2013 2.00% TRANS, Series T	-	19,805,000	-	19,805,000
Total	<u>\$ 8,960,000</u>	<u>\$ 24,805,000</u>	<u>\$ 13,960,000</u>	<u>\$ 19,805,000</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2013, the amounts owed between the government and the fiduciary funds were \$94,410 and \$57,584, respectively.

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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

NOTE 10 - LONG-TERM OBLIGATIONS

Long-Term Obligations Summary

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

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds Payable					
General obligation bonds, Series A	\$ 2,975,000	\$ -	\$ 620,000	\$ 2,355,000	\$ 795,000
General obligation bonds, Refunding Bond 2005	53,362,166	793,412	2,015,000	52,140,578	2,165,000
Net unamortized debt premium	4,054,425	-	162,837	3,891,588	-
General obligation bonds, Series 2007 C	68,510,000	-	-	68,510,000	-
Net unamortized debt premium	1,936,666	-	176,062	1,760,604	-
General obligation bonds, Series 2010 D/D-1	110,677,030	605,220	-	111,282,250	-
Net unamortized debt premium	1,633,775	-	58,176	1,575,599	-
Total Bonds Payable	243,149,062	1,398,632	3,032,075	241,515,619	2,960,000
Other Liabilities					
Compensated absences	2,589,152	-	40,339	2,548,813	1,299,513
Capital leases	142,506	68,256	44,636	166,126	47,578
Supplementary Retirement Plan (SRP)	4,700,629	223,833	1,508,689	3,415,773	1,284,856
Load banking	752,754	241,854	245,939	748,669	-
Other postemployment benefits (OPEB)	4,381,529	2,872,832	1,209,729	6,044,632	-
Total Other Liabilities	12,566,570	3,406,775	3,049,332	12,924,013	2,631,947
Total Long-Term Obligations	\$ 255,715,632	\$ 4,805,407	\$ 6,081,407	\$ 254,439,632	\$ 5,591,947

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds Payable					
General obligation bonds, Series A	\$ 3,475,000	\$ -	\$ 500,000	\$ 2,975,000	\$ 620,000
General obligation bonds, Refunding Bond 2005	54,314,469	877,697	1,830,000	53,362,166	2,015,000
Net unamortized debt premium	4,217,262	-	162,837	4,054,425	-
General obligation bonds, Series 2007 C	68,510,000	-	-	68,510,000	-
Net unamortized debt premium	2,112,726	-	176,060	1,936,666	-
General obligation bonds, Series 2010 D/D-1	110,118,806	558,224	-	110,677,030	-
Net unamortized debt premium	1,691,951	-	58,176	1,633,775	-
Total Bonds Payable	244,440,214	1,435,921	2,727,073	243,149,062	2,635,000
Other Liabilities					
Compensated absences	2,614,358	-	25,206	2,589,152	1,498,186
Capital leases	184,988	-	42,482	142,506	33,913
Supplementary Retirement Plan (SRP)	4,497,847	1,940,014	1,737,232	4,700,629	1,284,856
Load banking	827,220	204,024	278,490	752,754	-
Other postemployment benefits (OPEB)	3,338,328	2,242,316	1,199,115	4,381,529	-
Total Other Liabilities	11,462,741	4,386,354	3,282,525	12,566,570	2,816,955
Total Long-Term Obligations	\$ 255,902,955	\$ 5,822,275	\$ 6,009,598	\$ 255,715,632	\$ 5,451,955

Description of Debt

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property tax collections. The capital lease payments are made by the General Fund. The compensated absences are paid by the fund for which the employees' salaries are paid from. The District's General Fund makes payments for the postemployment benefits, Supplemental Retirement Plan, and load banking obligations.

Bonded Debt

2004 General Obligation Bonds

During March 2004, voters of the District authorized the issuance and sale of general obligation bonds in the amount of \$350,000,000. As a result of the authorization, General Obligation Bonds Series 2004A "Series A Bonds" and Series 2004B (federally taxable) "Series B Bonds" were issued in August 2004. At June 30, 2013, the principal outstanding was \$2,355,000.

Series A Bonds were issued in the aggregate principal amount of \$55,205,000 with interest rates ranging from 4.00 to 5.25 percent. Series A Bonds were used to finance the acquisition, construction, and modernization of property and school facilities, to refund outstanding certificates of participation (COPs), and to pay certain costs of the bond issue. The refunded COPs are considered defeased. This current refunding was undertaken to decrease total debt service payments by \$2,762,260. The Series A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Series B Bonds were issued to advance refund the District's outstanding certificates of participation. The refunded COPs are considered defeased. This advance refunding was undertaken to reduce total debt service payments by \$2,298,036 and to obtain an economic gain of \$237,565. The Series B Bonds have been paid in full.

The bonds are general obligations of the District. The Riverside County Board of Supervisors is obligated to levy ad valorem taxes upon all property within the District subject to taxation by the District for the payment of interest and principal on the bonds when due.

2005 General Obligation Refunding Bonds

During May 2005, the District issued 2005 General Obligation Refunding Bonds in the amount of \$58,386,109 with interest rates ranging from 3.00 to 5.00 percent. The bonds issued included \$54,425,000 of current interest bonds and \$3,961,109 of capital appreciation bonds, with the value of the capital appreciation bonds maturing to a principal balance of \$10,555,000. The bonds mature through August 1, 2024. Principal and interest on the refunded debt will be paid until such time as they can be redeemed on August 1, 2014. At June 30, 2013, the principal outstanding was \$52,140,578, and net unamortized debt premium was \$3,891,588.

The bonds are being used to advance refund all or a portion of the outstanding principal amount of the District's General Obligation Bonds, Election of 2004, Series 2004A (the Refunding Bonds). The refunded bonds were the Series A general obligation bonds including the cost of issuance of the bonds except for \$3,745,000 of the debt. The refunded bonds are considered defeased. The bonds were issued as current interest bonds and capital appreciation bonds. Interest with respect to the current interest bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year.

Net debt premium consists of the following:

	<u>June 30, 2013</u>
Deferred loss on refunding	\$ (1,686,893)
Debt issue costs	(532,783)
Debt premium	6,111,264
Net unamortized debt premium	<u>\$ 3,891,588</u>

2007 General Obligation Bonds

During June 2007, the District issued the 2007 General Obligation Bonds in the amount of \$90,000,000. The bonds mature beginning on August 1, 2007 through August 1, 2032, with interest yields ranging from 3.62 to 4.47 percent. At June 30, 2013, the principal outstanding was \$68,510,000 and unamortized premium and issuance costs of \$1,760,604 and \$678,019, respectively. Premium and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

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, 2007.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

2010 General Obligation Bonds

During December 2010, the District issued the 2010 General Obligation Bonds 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, 2013, the principal balance outstanding was \$111,282,250 and unamortized premium and issuance cost of \$1,575,599 and \$862,707, respectively. Premium and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

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.

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.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds		Accreted Interest		Bonds
				Outstanding July 1, 2012	Issued	Addition	Redeemed	Outstanding June 30, 2013
2004	2030	4.00%-5.25%	\$ 55,205,000	\$ 2,975,000	\$ -	\$ -	\$ 620,000	\$ 2,355,000
2005	2025	3.00%-5.00%	58,386,109	53,362,166	-	793,412	2,015,000	52,140,578
2007	2033	3.62%-4.47%	90,000,000	68,510,000	-	-	-	68,510,000
2010	2041	2.36%-5.53%	109,999,278	110,677,030	-	605,220	-	111,282,250
				<u>\$ 235,524,196</u>	<u>\$ -</u>	<u>\$ 1,398,632</u>	<u>\$ 2,635,000</u>	<u>\$ 234,287,828</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The General Obligation Bonds, Series A mature through 2030 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2014	\$ 795,000	\$ 85,375	\$ 880,375
2015	1,000,000	49,475	1,049,475
2016	15,000	29,156	44,156
2017	15,000	28,462	43,462
2018	20,000	27,588	47,588
2019-2023	135,000	120,157	255,157
2024-2028	240,000	71,663	311,663
2029-2030	135,000	7,562	142,562
Total	<u>\$ 2,355,000</u>	<u>\$ 419,438</u>	<u>\$ 2,774,438</u>

The General Obligation Bonds, 2005 Refunding Bonds mature through 2025 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2014	\$ 2,042,439	\$ 122,561	\$ 2,298,250	\$ 4,463,250
2015	1,943,696	371,304	2,298,250	4,613,250
2016	2,189,443	740,557	2,298,250	5,228,250
2017	3,165,000	-	2,219,125	5,384,125
2018	3,570,000	-	2,050,750	5,620,750
2019-2023	25,090,000	-	6,933,750	32,023,750
2024-2025	14,140,000	-	723,750	14,863,750
Total	<u>\$ 52,140,578</u>	<u>\$ 1,234,422</u>	<u>\$ 18,822,125</u>	<u>\$ 72,197,125</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The General Obligation Bonds, Series 2007 C mature through 2033 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2014	\$ -	\$ 3,425,500	\$ 3,425,500
2015	-	3,425,500	3,425,500
2016	-	3,425,500	3,425,500
2017	-	3,425,500	3,425,500
2018	-	3,425,500	3,425,500
2019-2023	-	17,127,500	17,127,500
2024-2028	24,080,000	15,392,250	39,472,250
2029-2033	44,430,000	4,796,750	49,226,750
Total	<u>\$ 68,510,000</u>	<u>\$ 54,444,000</u>	<u>\$ 122,954,000</u>

The General Obligation Bonds, Series 2010 D/D1 mature through 2041 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2014	\$ -	\$ -	\$ 7,164,193	\$ 7,164,193
2015	-	-	7,164,193	7,164,193
2016	280,219	94,781	7,322,979	7,697,979
2017	379,078	190,922	7,441,698	8,011,698
2018	452,795	312,205	7,579,817	8,344,817
2019-2023	3,894,659	2,945,340	39,354,169	46,194,168
2024-2028	3,975,499	3,394,501	39,656,567	47,026,567
2029-2033	8,165,000	-	35,483,394	43,648,394
2034-2038	51,670,000	-	24,554,544	76,224,544
2039-2041	42,465,000	-	4,623,856	47,088,856
Total	<u>\$ 111,282,250</u>	<u>\$ 6,937,749</u>	<u>\$ 180,345,410</u>	<u>\$ 298,565,409</u>

Capital Leases

The District has utilized capital leases purchase agreements to primarily purchase equipment. The current lease purchase agreement in the amount of \$166,126 will be paid through 2017.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013 AND 2012**

The District's principal obligations on lease agreements with options to purchase are summarized below:

Year Ending June 30,	Lease Payment
2014	\$ 57,941
2015	57,940
2016	54,612
2017	18,003
Total	188,496
Less: Amount Representing Interest	22,370
Present Value of Minimum Lease Payments	<u>\$ 166,126</u>

The equipment purchased through capital lease arrangements has been capitalized and is being depreciated over the estimated useful lives.

Equipment	\$ 266,105
Less: Accumulated depreciation	(172,306)
Total	<u>\$ 93,799</u>

Amortization of the leased equipment under capital lease is included with depreciation expense.

Supplementary Retirement Plan

The District has adopted the Public Agency Retirement System (PARS) 403(b) Supplementary Retirement Plan (SRP), a retirement incentive program. As of June 30, 2013, the outstanding balance was \$3,415,733. See Note 14 for additional information regarding the SRP obligation.

Fiscal Year	SRP Payment
2014	\$ 1,284,856
2015	1,284,857
2016	846,060
Total	<u>\$ 3,415,773</u>

Compensated Absences

Compensated absence obligations for the District at June 30, 2013, amounted to \$2,548,813 of which \$1,299,513 is considered current.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Other Postemployment Benefits Obligation

The District's annual required contribution for the year ended June 30, 2013, was \$2,925,208, and contributions made by the District during the year were \$1,209,729. Interest on the net OPEB obligation and adjustments to the annual required contribution were \$219,076 and \$(271,452), respectively, which resulted in an increase to the net OPEB obligation of \$1,663,103. As of June 30, 2013, the net OPEB obligation was \$6,044,632. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

Load Banking

The load banking obligation for the District at June 30, 2013, amounted to \$748,669.

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

The District provides postemployment health care benefits for retired employees in accordance with approved Board policy.

Plan Description

The Riverside Community College District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and one dependent. Membership of the Plan consists of 94 retirees and beneficiaries currently receiving benefits and 883 active Plan members.

Funding Policy

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2012-2013, the District contributed \$1,209,729 to the Plan, all of which was used for current premiums.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 2,925,208
Interest on net OPEB obligation	219,076
Adjustment to annual required contribution	<u>(271,452)</u>
Annual OPEB cost (expense)	2,872,832
Contributions made	<u>(1,209,729)</u>
Increase in net OPEB obligation	1,663,103
Net OPEB obligation, beginning of year	<u>4,381,529</u>
Net OPEB obligation, end of year	<u><u>\$ 6,044,632</u></u>

Trend Information

Trend information for the annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2011	\$ 2,262,462	\$ 577,224	26%	\$ 3,338,328
2012	2,242,316	1,199,115	53%	4,381,529
2013	2,872,832	1,209,729	42%	6,044,632

Funding Status and Funding Progress

The schedule of funding progress as of the most recent actuarial valuation is as follows:

Actuarial Accrued Liability (AAL)	\$ 24,642,278
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 24,642,278</u></u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll	<u>N/A</u>
UAAL as Percentage of Covered Payroll	<u><u>N/A</u></u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The above noted actuarial accrued liability was based on the July 1, 2011, actuarial valuation. Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation, the unit credit cost method was used. Under this method, there are no liabilities dependent on salary, therefore, no salary increase rate is assumed. The actuarial assumptions include healthcare cost trend rates ranged from an initial eight percent to an ultimate rate of five percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at June 30, 2013, was 25 years. The actuarial value of assets was not determined in this actuarial valuation. As of June 30, 2013, the District finances its OPEB contributions using a pay-as-you-go method. The District has not established a plan or equivalent arrangement that contains an irrevocable trust.

NOTE 12 - RISK MANAGEMENT

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 \$20,000,000 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 \$295,277,000 and a \$100,000 deductible. 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2013, the District contracted with the Alliance of Schools for Cooperative Insurance Program Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2012-2013, the District participated in the Schools Excess Liability 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.

<u>Insurance Program / JPA Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
Schools Excess Liability Fund (SELF)	Workers' Compensation	\$ 2,000,000
Schools Excess Liability Fund (SELF)	Excess Liability	\$ 20,000,000
Alliance of Schools for Cooperative Insurance Program (ASCIP)	Property and Liability	\$ 1,000,000

Employee Medical Benefits

The District has contracted with Kaiser Permanente, Health Net, and the RCCD 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.

If the employee elects not to enroll for health insurance coverage from one of the carriers provided by the District, such employee must provide evidence of other health insurance coverage.

- Medical - The employee has a choice of Kaiser Permanente, Health Net, or the RCCD 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 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013 AND 2012**

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, 2011 to June 30, 2013:

	Self- Insurance
Liability Balance, July 1, 2011	\$ 2,156,829
Claims and changes in estimates	6,485,852
Claims payments	<u>(5,502,681)</u>
Liability Balance, June 30, 2012	3,140,000
Claims and changes in estimates	8,517,537
Claims payments	<u>(8,457,537)</u>
Liability Balance, June 30, 2013	<u>\$ 3,200,000</u>
Assets available to pay claims at June 30, 2013	<u><u>\$ 6,491,992</u></u>

The District records an estimated liability for indemnity health care, 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.

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

CalSTRS

Plan Description

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

Funding Policy

Active members of the DB Plan are required to contribute 8.0 percent of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-2013 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$4,744,140, \$4,995,773, and \$5,263,423, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 11.417 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$3,975,690, \$3,827,482, and \$3,960,411, respectively, and equal 100 percent of the required contributions for each year.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal years ended June 30, 2013, 2012, and 2011, which amounted to \$3,301,204, \$3,132,192, and \$3,029,760, respectively, (5.176 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the years ended June 30, 2013, 2012, and 2011. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees 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 System (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 System (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, 2013. Total contributions to the plan amounted to \$541,744.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

NOTE 14 - PUBLIC AGENCY RETIREMENT SYSTEM (PARS) SUPPLEMENTARY RETIREMENT PLANS (SRPs)

The District has adopted Public Agency Retirement System (PARS) 403(b) Supplementary Retirement Plans (SRPs). These SRPs are designed to meet the requirements of Section 403(b) of the Internal Revenue Code of 1986, as amended, and, to the extent applicable, the Employee Retirement Income Security Act of 1974, as amended. Employees eligible to receive retirement benefits under the SRPs must be a permanent employee with at least age fifty-five (55) with eight (8) or more years of full-time equivalent District service from the date of the formal action taken by the District (retire during the window period in the formal action taken by the District's Governing Board of Trustees). The benefits provided under the SRPs are funded in five (5) annual contributions. (See Note 10.)

NOTE 15 - 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 Alliance of Schools for Cooperative Insurance Programs (ASCIP) 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, 2013, the District made payments of \$46,607, \$17,995, \$1,115,691, and \$571,766 to SELF, RCCCSSIPE, REEP, and ASCIP, respectively.

NOTE 16 - 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, 2013.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

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, 2013.

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
2014	\$ 795,222
2015	751,610
2016	8,811
Total	<u>\$ 1,555,643</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

Construction Commitments

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

<u>Project</u>	<u>Estimated Cost to Complete</u>	<u>Percent Complete</u>	<u>Estimated Completion</u>
District - ADA Transition Plan	\$ 2,932,599	53.89%	FY 14/15
District - IT Upgrade (Includes Audit)	4,130,249	29.28%	FY 14/15
District - Swing Space - Market Street Properties	118,310	75.58%	FY 15/16
District - Utility Infrastructure	4,599,283	30.16%	FY 14/15
Moreno Valley - Network Operations Center	2,914,448	3.63%	FY 13/14
Moreno Valley - Physicians Assistant Laboratory Remodel	109,838	8.47%	FY 13/14
Moreno Valley - Science Laboratories Remodel Project	3,197,458	8.64%	FY 14/15
Moreno Valley - Student/Academic Services Facility Project	7,259,278	67.22%	FY 13/14
Norco - Groundwater Monitoring Wells	396,465	23.40%	FY 15/16
Norco - Self Generation Incentive Program	2,164,739	30.39%	FY 13/14
Riverside City College Coil School for the Arts	33,438,587	8.46%	FY 15/16
Riverside City College Culinary Arts and District Office Building	12,781,700	22.22%	FY 15/16
Riverside City College Lovekin Parking/Tennis Project	1,995,140	40.94%	FY 13/14
Riverside City College Student Services Building	27,458,797	0.98%	FY 15/16
	<u>\$ 103,496,891</u>		

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 Agency funding.

NOTE 17 - RESTATEMENT OF PRIOR YEAR FUND BALANCES

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

Effective in fiscal year 2012-2013, the District was required to capitalize interest as part of the historical cost of constructing certain business-type activity assets. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by \$16,644,085.

<u>Primary Government</u>	
Net Position - Beginning	\$ 216,986,120
Restatement of capital assets for implementation of GASB Statement No. 62	<u>16,644,085</u>
Net Position - Beginning, as Restated	<u>\$ 233,630,205</u>

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
July 1, 2007	\$ -	\$ 9,766,024	\$ 9,766,024	0.00%	N/A	N/A
July 1, 2009	-	15,799,353	15,799,353	0.00%	N/A	N/A
July 1, 2011	-	24,642,278	24,642,278	0.00%	N/A	N/A

SUPPLEMENTARY INFORMATION

RIVERSIDE COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION JUNE 30, 2013

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

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Virginia Blumenthal	President	December 2014
Janet Green	Vice President	December 2014
Samuel Davis	Secretary	December 2014
Mary Figueroa	Member	December 2016
Nathan Miller	Member	December 2016

DISTRICT ADMINISTRATION

Dr. Gregory Gray	Chancellor
Mr. Aaron Brown	Vice Chancellor, Business and Financial Services
Dr. Ray Maghroori	Provost/Vice Chancellor, Educational Services
Ms. Melissa Kane	Vice Chancellor, Diversity and Human Resources

COLLEGE ADMINISTRATION

Dr. Cynthia Azari	President, Riverside City College
Dr. Sandra Mayo	President, Norco College
Dr. Paul Parnell	President, Moreno Valley College

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Pass through from the Regents of the University of California, Riverside Building Bridges Across Riverside through Water Quality Research	10.223	2010-38422-21220	\$ 26,350
U.S. DEPARTMENT OF DEFENSE			
Procurement Assistance Center (PAC)	12.002		288,246
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership	16.607		24
U.S. DEPARTMENT OF LABOR			
WORKFORCE INVESTMENT ACT			
Pass through from Riverside County Economic Development Agency (EDA) CalGrip: California Gang Reduction, Intervention, and Prevention	17.259	[1]	8,642
Pass through from San Bernardino Community College District ARRA - Southern CA Logistics Technology Collaborative	17.275	GJ-20040-10-60-A-6	152,257
Total U.S. Department of Labor			<u>160,899</u>
NATIONAL SCIENCE FOUNDATION			
National Center of Excellence for Logistics and Supply Chain Technology *	47.076		877,019
SMALL BUSINESS ADMINISTRATION			
Pass through from California State University, Fullerton Auxiliary Services Corporation			
Tri-Tech Small Business Development Center	59.037	SBAHQ-13-B-0046, SBAHQ-12-B-0072	239,070
Tri-Tech Small Business Jobs Act	59.037	1-603001-Z-0111	218,562
Pass through from California Community Colleges Chancellor's Office CA State Trade Export	59.061	F12-0057	211,816
Total Small Business Administration			<u>669,448</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Veteran Outreach Program - Administration	64.000		15,125
U.S. DEPARTMENT OF EDUCATION			
TRIO Cluster:			
Student Support Services Program	84.042A		1,045,783
Upward Bound Program	84.047A		1,022,718
Upward Bound Program - Math and Science	84.047M		137,469
Subtotal TRIO Cluster			<u>2,205,970</u>
Student Financial Assistance Cluster:			
Federal Supplement Education Opportunity Grant (FSEOG)	84.007		980,884
FSEOG Administrative	84.007		65,627
Federal Direct Student Loans (Direct Loans)	84.268		4,235,107
Federal Work Study Program (FWS)	84.033		1,015,681
Federal Work Study Administrative	84.033		60,566
Federal Pell Grants (PELL)	84.063		38,040,410
Federal Pell Administrative	84.063		57,638
Subtotal Student Financial Assistance Cluster			<u>44,455,913</u>

[1] Pass-Through Identifying Number not available.

* Research and Development Grant

(Continued)

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures
HIGHER EDUCATION ACT			
Pass through from University of California, Riverside Strengthening Institutions - Hispanic Serving Institutions	84.031S	[1]	\$ 32,763
Pass through from California State University, San Bernardino Strengthening Institutions - Hispanic Serving Institutions	84.031S	[1]	707,617
Title V - HIS Pathways to Excellence	84.031S		616,934
Title V - Higher Education Institutional Aid	84.031S		571,344
Title V - Answering the Call	84.031S		393,363
Title V - HIS Stem and Articulation	84.031C		700,910
MVC Technology Access Project	84.031C		604,374
Subtotal Higher Education - Institutional Aid			<u>3,627,305</u>
 Fund for Improvement of Post-Secondary Education (FIPSE)	 84.116Z		 224,234
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	[1]	132,926
Career and Technical Education, Title I-C	84.048	12-C01-45	1,258,609
Career and Technical Education Transitions	84.048	12-112-960	136,963
REHABILITATION ACT			
Pass through from California Department of Rehabilitation (DOR) Workability	84.126A	26958	215,732
ELEMENTARY AND SECONDARY EDUCATION ACT			
FIE Earmark Grant Awards	84.215K		118,385
Total U.S. Department of Education			<u>52,376,037</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Nurse Education, Practice, and Retention	93.359		327,958
Health Care and Other Facilities - HRSA	93.887		70,456
Pass through from California Community Colleges Chancellor's Office Temporary Assistance to Needy Families (TANF)	93.558	[1]	159,432
Foster and Kinship Care Education Program (FKCE)	93.658	[1]	52,964
Pass through from Yosemite Community College District Early Childhood Study - Consortium Grant	93.575	12-13-4165	18,742
Pass through from Riverside County Superintendent of Schools Independent Living Skills - Emancipation Services	93.674	C-1003585	605,600
Pass through from California Department of Health Services Medical Assistance Program	93.778	[1]	50,976
AFFORDABLE CARE ACT			
Expansion of Physical Assistant Training Program	93.514		413,424
Total U.S. Department of Health and Human Services			<u>1,699,552</u>
DEPARTMENT OF HOMELAND SECURITY			
Pass through from the City of Riverside Office of Emergency Management Riverside Urban Area Security Initiative (Public Assistance Grants)	97.008	2010-0085	1,806
Total Expenditures of Federal Awards			<u>\$ 56,114,506</u>

[1] Pass-Through Identifying Number not available.

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Program	Program Entitlements		
	Current Year	Prior Year	Total Entitlement
GENERAL FUND			
Board Financial Assistance Program (BFAP) - unrestricted	\$ 451,525	\$ -	\$ 451,525
Board Financial Assistance Program (BFAP) - restricted	1,451,205	-	1,451,205
Basic Skills/ESL 2010-2011	-	6,291	6,291
Basic Skills/ESL 2011-2012	-	166,868	166,868
Basic Skills/ESL 2012-2013	337,604	-	337,604
Part-Time Faculty Insurance	7,700	-	7,700
Part-Time Faculty Office Hours	54,000	-	54,000
Part-Time Faculty Compensation	568,878	-	568,878
Educational Protection Act	-	-	-
Homeowner Property Tax Relief	480,000	-	480,000
State Tax Subventions	-	-	-
State Lottery - Non-Proposition 20	3,000,000	-	3,000,000
State Mandated Costs	695,660	-	695,660
CTE Community Collaborative Project 2010-2011	-	311,679	311,679
CTE Community Collaborative Project Supplement 2010-2011	-	46,176	46,176
CTE Enrollment Growth and Retention ADN-RN 2010-2011	-	278,258	278,258
CTE Enrollment Growth and Retention ADN-RN 2011-2012	-	258,421	258,421
CTE Enrollment Growth and Retention ADN-RN 2012-2013	350,374	-	350,374
CTE Community Collaborative Pathways Initiative 2011-2012	-	411,350	411,350
CTE Community Collaborative Pathways Initiative 2012-2014	387,023	-	387,023
Responsive Training Fund	-	182,663	182,663
Responsive Training Fund 2012-2013	204,256	-	204,256
Song Brown PA Mental Health Special Program 11-12	-	120,348	120,348
Song Brown PA Mental Health Special Program 12-13	70,299	-	70,299
Song Brown RN 12-13	80,000	-	80,000
Extended Opportunity Program and Service (EOPS)	1,120,648	-	1,120,648
Cooperative Agencies Resources for Education (CARE)	138,046	-	138,046
Matriculation Grant	862,228	-	862,228
Staff Development	-	7,049	7,049
Foster Care Education Program	59,796	-	59,796
Middle College High School	84,153	-	84,153
Economic Development - CITD State Leadership	172,500	-	172,500
Staff Diversity	11,079	30,675	41,754
Community Emergency Response Team	-	278	278
Student Financial Assistance Program - Fiscal Coordination	513,150	-	513,150

See accompanying note to supplementary information.

Program Revenues						Program Expenditures
Cash Received	Accounts Receivable	Accounts Payable	Deferred Revenue	Total Revenue		
\$ 451,525	\$ -	\$ -	\$ -	\$ 451,525	\$ 451,525	
1,451,205	-	340	-	1,450,865	1,450,865	
6,291	-	89	-	6,202	6,202	
166,868	-	-	37,586	129,282	129,282	
337,604	-	-	186,800	150,804	150,804	
7,794	-	-	-	7,794	7,794	
54,269	-	-	-	54,269	54,269	
568,878	-	-	-	568,878	568,878	
19,925,546	-	-	-	19,925,546	19,925,546	
462,342	2	-	-	462,344	462,344	
622	-	-	-	622	622	
1,739,710	1,741,451	-	-	3,481,161	3,481,161	
695,647	-	-	-	695,647	695,647	
311,680	-	22,118	-	289,562	289,562	
46,176	-	6,840	-	39,336	39,336	
278,258	-	-	-	278,258	278,258	
216,711	16,906	-	-	233,617	233,617	
294,314	-	-	231,270	63,044	63,044	
370,215	-	-	189,128	181,087	181,087	
290,267	-	-	241,175	49,092	49,092	
81,021	97,328	-	-	178,349	178,349	
122,554	-	-	82,994	39,560	39,560	
-	582	-	-	582	582	
-	3,240	-	-	3,240	3,240	
39,984	37,984	-	-	77,968	77,968	
1,120,648	-	19,164	-	1,101,484	1,101,484	
138,046	-	2,814	-	135,232	135,232	
862,228	-	-	-	862,228	862,228	
7,049	-	-	4,187	2,862	2,862	
53,377	8,613	-	-	61,990	61,990	
33,661	50,492	-	-	84,153	84,153	
47,610	123,783	-	-	171,393	171,393	
41,754	-	-	14,751	27,003	27,003	
278	-	-	-	278	278	
513,150	-	-	438,329	74,821	74,821	

(Continued)

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

Program	Program Entitlements		
	Current Year	Prior Year	Total Entitlement
GENERAL FUND, Continued			
Faculty Entrepreneurship Project	\$ -	\$ 4,271	4,271
Youth Entrepreneurship Program 11/12	-	5,381	5,381
Disabled Student Program and Services - DSPTS	1,587,008	-	1,587,008
First 5 Riverside Access and Quality Initiative	75,635	-	75,635
CalWORKS	489,044	-	489,044
CalWORKS Community College Set-Aside	80,000	43,071	123,071
State Transition to Nursing Practice	5,000	10,679	15,679
State Lottery - Proposition 20	875,197	-	875,197
California Community Colleges Student Mental Health Program	133,327	-	133,327
CHILD DEVELOPMENT FUND			
Campus Child Care Tax Bailout	70,348	-	70,348
STUDENT FINANCIAL AID FUND			
Cal Grant B and C	1,917,849	-	1,917,849
Total State Programs			

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Deferred Revenue	Total Revenue	Program Expenditures
\$ 4,271	\$ -	\$ -	\$ 767	\$ 3,504	\$ 3,504
5,381	-	-	87	5,294	5,294
1,587,008	-	-	-	1,587,008	1,587,008
37,818	-	-	797	37,021	37,021
489,044	-	2,458	-	486,586	486,586
131,009	-	7,937	66,622	56,450	56,450
15,679	-	-	2,249	13,430	13,430
234,422	640,775	-	51,836	823,361	823,361
36,381	56,832	-	-	93,213	93,213
70,348	-	-	-	70,348	70,348
1,955,120	-	37,271	-	1,917,849	1,917,849
<u>\$ 35,303,763</u>	<u>\$ 2,777,988</u>	<u>\$ 99,031</u>	<u>\$ 1,548,578</u>	<u>\$ 36,434,142</u>	<u>\$ 36,434,142</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL
 APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
 FOR THE YEAR ENDED JUNE 30, 2013**

CATEGORIES	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
A. Summer Intersession (Summer 2012 only)			
1. Noncredit	22	-	22
2. Credit	1,642	-	1,642
B. Summer Intersession (Summer 2013 - Prior to July 1, 2013)			
1. Noncredit	-	-	-
2. Credit	292	-	292
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	16,012	-	16,012
(b) Daily Census Contact Hours	1,789	-	1,789
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	44	-	44
(b) Credit	2,077	-	2,077
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Contact Hours	2,216	-	2,216
(b) Daily Census Contact Hours	1,025	-	1,025
D. Total FTES	<u>25,119</u>	<u>-</u>	<u>25,119</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	546	-	546
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	20	-	20
2. Credit	2,203	-	2,203

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2013**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 25,703,276	\$ -	\$ 25,703,276	\$ 25,703,276	\$ -	\$ 25,703,276
Other	1300	20,962,017	-	20,962,017	20,962,017	-	20,962,017
Total Instructional Salaries		46,665,293	-	46,665,293	46,665,293	-	46,665,293
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	10,949,462	-	10,949,462
Other	1400	-	-	-	1,311,454	-	1,311,454
Total Noninstructional Salaries		-	-	-	12,260,916	-	12,260,916
Total Academic Salaries		46,665,293	-	46,665,293	58,926,209	-	58,926,209
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	23,387,453	-	23,387,453
Other	2300	-	-	-	486,323	-	486,323
Total Noninstructional Salaries		-	-	-	23,873,776	-	23,873,776
Instructional Aides							
Regular Status	2200	2,023,740	-	2,023,740	2,023,740	-	2,023,740
Other	2400	203,904	-	203,904	203,904	-	203,904
Total Instructional Aides		2,227,644	-	2,227,644	2,227,644	-	2,227,644
Total Classified Salaries		2,227,644	-	2,227,644	26,101,420	-	26,101,420
Employee Benefits	3000	11,758,419	-	11,758,419	28,519,717	-	28,519,717
Supplies and Material	4000	-	-	-	1,462,418	-	1,462,418
Other Operating Expenses	5000	-	-	-	11,081,522	-	11,081,522
Equipment Replacement	6420	-	-	-	978	-	978
Total Expenditures Prior to Exclusions		60,651,356	-	60,651,356	126,092,264	-	126,092,264

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION, Continued
FOR THE YEAR ENDED JUNE 30, 2013**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		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	\$ -	\$ -	\$ -	\$ 1,366,316	\$ -	\$ 1,366,316
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	1,283	-	1,283
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,120,580	-	1,120,580
Objects to Exclude							
Rents and Leases	5060	-	-	-	1,028,385	-	1,028,385
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	2,658,437	-	2,658,437
Employee Benefits	3000	-	-	-	822,724	-	822,724
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		-	-	-	-	-	-

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION, Continued
FOR THE YEAR ENDED JUNE 30, 2013**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		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		-	-	-	6,997,725	-	6,997,725
Total for ECS 84362, 50 Percent Law		\$ 60,651,356	\$ -	\$ 60,651,356	\$ 119,094,539	\$ -	\$ 119,094,539
Percent of CEE (Instructional Salary Cost/Total CEE)		50.93%		50.93%	100.00%		100.00%
50% of Current Expense of Education					\$ 59,547,270		\$ 59,547,270

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)
WITH FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2013.

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**PROPOSITION 30 EDUCATION PROTECTION ACT (EPA) EXPENDITURE REPORT
 FOR THE YEAR ENDED JUNE 30, 2013**

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				\$ 19,925,546
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 19,925,546			\$ 19,925,546
Total Expenditures for EPA		\$ 19,925,546	-	-	\$ 19,925,546
Revenues Less Expenditures					\$ -

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2013**

**Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:**

Total Fund Balance and Retained Earnings:

General Funds	\$ 20,415,833
Special Revenue Funds	541,389
Capital Outlay Projects	66,403,411
Debt Service Funds	11,224,034
Proprietary Fund	3,291,992
Fiduciary Funds	<u>813,377</u>

**Total Fund Balances and Retained Earnings -
All District Funds**

\$ 102,690,036

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:	475,426,041	
Accumulated depreciation is:	<u>(105,790,067)</u>	369,635,974

Amounts held in trust on behalf of others (Trust and Agency Funds) (805,722)

In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred. (5,412,174)

Governmental funds report cost of issuance associated with the issuance of debt when first issued, whereas the amounts are deferred and amortized in the Statements of Activities.

Cost of issuance at year end amounted to: 1,540,726

Long-term obligations at year end consist of:

Bonds payable	241,515,619	
Capital leases payable	166,126	
Compensated absences	2,548,813	
Load banking	748,669	
Supplementary retirement plan (SRP)	3,415,773	
Other postemployment benefits (OPEB)	6,044,632	
Less compensated absences already recorded in funds	<u>(1,299,513)</u>	<u>(253,140,119)</u>

Total Net Position

\$ 214,508,721

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2013

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

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

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Assets:		\$ 58,614,887
Build America Bonds	N/A	(2,505,442)
Disaster Grants - Public Assistance	97.036	5,061
Total Expenditures of Federal Awards		<u>\$ 56,114,506</u>

Subrecipients

Of the Federal expenditures presented in the schedule, the District provided Federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Amount Provided to Subrecipients
National Center of Excellence for Logistics and Supply Chain Technology	47.076	\$ 219,660
Title V Higher Education - Institutional Aid	84.031S	200,694
Independent Living Skills - Emancipation Services	93.674	39,884
Total Pass-Through		<u>\$ 460,238</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2013

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 pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

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.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Fund 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 internal fund financial statements.

Proposition 30 Education Protection Act (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

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 AUDITORS' REPORTS



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

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 basic financial statements of the business-type activities of Riverside Community College District (the District) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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.

Vauriney, Time, Day & Co., LLP.

Riverside, California
November 18, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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 OMB Circular A-133 *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, 2013. The District's major Federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 consider 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, 2013.

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 OMB Circular A-133, 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 a 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* 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. Given these limitations, during our audit, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vaurinek, Time, Day & Co., LLP.

Riverside, California
November 18, 2013



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' 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 as identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in April 2013 that could have a direct and material effect on each of the District's programs as noted below for the year ended June 30, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in April 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's programs based on our audit of the types of compliance requirements referred to above. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion on Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2013.

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 421 Salaries of Classroom Instructors (50 Percent Law)
- Section 423 Apportionment for Instructional Service Agreements/Contracts
- Section 424 State General Apportionment Funding System
- Section 425 Residency Determination for Credit Courses
- Section 426 Students Actively Enrolled
- Section 427 Concurrent Enrollment of K-12 Students in Community College Credit Courses
- Section 431 Gann Limit Calculation
- Section 433 CalWORKS
- Section 435 Open Enrollment
- Section 437 Student Fees – Instructional and Other Materials
- Section 438 Student Fees – Health Fees and Use of Health Fee Funds
- Section 474 Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
- Section 475 Disabled Student Programs and Services (DSPS)
- Section 479 To Be Arranged (TBA) Hours
- Section 490 Proposition 1D State Bond Funded Projects
- Section 491 Proposition 30 Education Protection Account Funds

The District reports no Instructional Service Agreements/Contracts for Apportionment Funding; therefore, the compliance tests within this section were not applicable.

Vaurine, Time Day & Co., LLP.

Riverside, California
November 18, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007, 84.033, 84.063, 84.268</u>	<u>Student Financial Assistance Cluster</u>
<u>84.042A, 84.047A, 84.047M</u>	<u>TRIO Cluster</u>
<u>47.076</u>	<u>National Science Foundation</u>
<u>93.514</u>	<u>Expansion of Physical Assistant Training Program</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 349,758
 Auditee qualified as low-risk auditee? Yes

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2013

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

FEDERAL AWARD FINDINGS

2012-1 SUBRECIPIENT MONITORING

Federal Program Affected

National Science Foundation, National Center of Excellence for Logistics and Supply Chain Technology (CFDA #47.076) Award Number: DUE-1104176

Criteria or Specific Requirement

OMB Circular A-133 Compliance Supplement, Audits of State and Local Governments and Not-for-Profit Organizations, subpart D - Federal agencies and pass-through entities states the following regarding pass-through entity responsibilities:

A pass-through entity is responsible for: Award Identification - At the time of subaward, identifying to the subrecipient the Federal award information, which include CFDA title and number, award name and number, name of the Federal awarding agency, and applicable compliance requirements.

Condition

In our sample of subrecipient contracts, we noted two contracts that did not identify the CFDA title or number to the subawardee.

Questioned Costs

No questioned costs. See Context.

Context

We noted two of the subawards did not meet the minimum contents as required by OMB Circular A-133. The required elements were not included in all of the subawards reviewed for this program.

Effect

Subrecipients could be incorrectly reporting expenditures on the Schedule of Expenditures of Federal Awards and/or not complying with applicable compliance requirements.

Cause

The District has not implemented procedures to ensure the compliance with Federal requirements.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2013

Recommendation

We recommend the District strengthen control procedures over its subaward contracts to ensure award information has been properly identified to the subrecipient which includes the CFDA title and number.

Current Status

Implemented.

STATE AWARD FINDINGS

2012-2 CARE ADVISORY COMMITTEE MEETING

Criteria or Specific Requirement

Education Code Section 79150-79155
CARE Program Guidelines
Information System's Data Element Dictionary (data elements SE01-SE10)

Condition

Required CARE advisory committee meetings at Moreno Valley College were held only one time during the year. The CARE Program guidelines note the advisory committee is to meet at least twice during each academic year.

Questioned Costs

None.

Recommendation

We recommend that the CARE Program directors ensure the advisory committee meets as required by the program guidance.

Current Status

Implemented.



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

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

We have audited the basic financial statements of Riverside Community College District (the District) for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. As described in Note 2 and Note 17 to the financial statements, the District changed accounting practices related to capitalization of interest by adopting Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements*, in 2013. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statements of Revenues, Expenses, and Changes in Net Position - Primary Government. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate affecting the financial statements was the cost of capital assets net of accumulated depreciation. Depreciation is the recognition of the use of the capital assets over time. Conditions may exist that result in assets having a longer or shorter useful life than is reflected within these statements. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole. This information is disclosed in Note 5 to the financial statements.

Additionally, the estimate of the future costs of postemployment benefits provided to retirees is based upon current information about the District's employees, benefit plans, and health care rates. These factors are considered by the actuary in determining both the estimated liability and the current year required contribution to the plan. Note 11 to the financial statements provides additional information about the actuarial methods and assumptions used, and the required supplementary information provides the schedule of progress toward funding this liability.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were noted in completing our audit.

Mailing Address: P. O. Box 20439 Riverside, CA 92516

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

To the Board of Trustees
Riverside Community College District
Page 2

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2013.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the 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.

Vaurinek, Time, Day & Co., LLP.

Riverside, California
November 18, 2013



Agenda Item (IV-D-3)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Resources (IV-D-3)
Subject	2012-2013 Independent Audit Report for the Riverside Community College District Foundation
College/District	District
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees receive the Riverside Community College District Foundation's independent audit report for the year ended June 30, 2013 for the permanent file of the District.

Background Narrative:

An independent audit of the Foundation's 2012-2013 financial statements was performed by Ahern, Adcock, Devlin, LLP Certified Public Accountants (AAD). A representative of the firm will be available to present the report. The Foundation's Board of Directors accepted the audit report on November 19, 2013. Results of the audit are summarized below.

Auditor's Opinion

The auditor has issued an unqualified opinion for the financial audit; an excerpt of which follows: Financial Audit – "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverside Community College District Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America."

Audit Findings

There were no findings or questioned costs related to the audit for the year ended June 30, 2013.

Auditor's Required Communication – Audit Completion

In accordance with the Statement on Auditing Standards No. 114, at the conclusion of the audit engagement AAD is required to communicate information to the Board of Directors regarding their responsibility under United States Generally Accepted Auditing Standards. Attached for your information is the required communication issued by AAD.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services
Bill Bogle, Controller

Attachments:

[12032013_Foundation Audit Report FY12-13](#)
[12032013_AAD SAS 114 Letter](#)

**RIVERSIDE COMMUNITY
COLLEGE DISTRICT
FOUNDATION**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2013 AND 2012**



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Michael R. Adcock, CPA
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Linde S. Devlin, CPA
Andrew Steinke, CPA

Of Counsel
Thomas E. Ahern, CPA
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Governmental Audit
Quality Center
California Society of
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
Riverside Community College District Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Riverside Community College District Foundation (the "Foundation") (a nonprofit organization) which comprise the statements of financial position as of June 30, 2013 and 2012, the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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 misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditors' judgment, including the assessment of 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 Foundation'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 Foundation'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Ahern Adcock Devlin LLP

Riverside, California
October 16, 2013

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Statements of Financial Position

	June 30,	2013	2012
ASSETS			
Current assets			
Cash and cash equivalents			
Unrestricted	\$	811,446	\$ 503,002
Restricted		667,277	869,218
Accounts receivable		33,481	1,600
Unconditional promises to give, net of allowance		72,857	538,155
Prepaid expense		2,500	2,000
Total current assets		<u>1,587,561</u>	<u>1,913,975</u>
Noncurrent assets			
Investments - restricted		5,418,038	4,804,265
Long-term unconditional promises to give, net of allowance		77,875	91,381
Total noncurrent assets		<u>5,495,913</u>	<u>4,895,646</u>
Total assets		<u>\$7,083,474</u>	<u>\$6,809,621</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable	\$	65,854	\$ 67,539
Refundable advance		196,391	113,592
Promises to give to others		155,582	452,779
Total current liabilities		<u>417,827</u>	<u>633,910</u>
Total liabilities		<u>417,827</u>	<u>633,910</u>
Net assets			
Unrestricted			
Undesignated		(1,717)	(189,192)
Board designated		17,130	15,669
Total unrestricted net assets		<u>15,413</u>	<u>(173,523)</u>
Temporarily restricted		1,047,145	1,239,303
Permanently restricted		5,603,089	5,109,931
Total net assets		<u>6,665,647</u>	<u>6,175,711</u>
Total liabilities and net assets		<u>\$7,083,474</u>	<u>\$6,809,621</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Statements of Activities and Changes in Net Assets

	For the Year Ended June 30, 2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES				
Donations	\$ 59,830	\$ 776,835	\$ 54,338	\$ 891,003
In-kind donations				
Donated assets	68,934			68,934
Donated material	22,783			22,783
Donated services	517,591			517,591
Total revenues	669,138	776,835	54,338	1,500,311
Assets released from restriction	1,086,526	(978,468)	(108,058)	-
Total revenues and reclassifications	1,755,664	(201,633)	(53,720)	1,500,311
EXPENSES				
Operating expenses	362,631			362,631
Program expenses	1,171,383			1,171,383
Fundraising expenses	82,274			82,274
Total expenses	1,616,288	-	-	1,616,288
OTHER INCOME (EXPENSE)				
Realized gain (loss) on sale of investments	1,806	345	19,929	22,080
Unrealized gain on investments	38,605	7,381	425,991	471,977
Interest and dividends income	9,149	1,749	100,958	111,856
Total other income (expense)	49,560	9,475	546,878	605,913
Change in net assets	188,936	(192,158)	493,158	489,936
Net assets, beginning of year,	(173,523)	1,239,303	5,109,931	6,175,711
Net assets, end of year	\$ 15,413	\$1,047,145	\$5,603,089	\$6,665,647

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

For the Year Ended June 30, 2012			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 361,936	\$ 586,289	\$1,413,012	\$2,361,237
21,431			21,431
31,904			31,904
515,683			515,683
930,954	586,289	1,413,012	2,930,255
1,432,579	(1,266,923)	(165,656)	-
2,363,533	(680,634)	1,247,356	2,930,255
576,325			576,325
876,378			876,378
8,246			8,246
1,460,949	-	-	1,460,949
(1,083)	(1,082)	(41,137)	(43,302)
1,299	1,299	49,365	51,963
2,358	2,084	82,671	87,113
2,574	2,301	90,899	95,774
905,158	(678,333)	1,338,255	1,565,080
(1,078,681)	1,917,636	3,771,676	4,610,631
\$ (173,523)	\$ 1,239,303	\$5,109,931	\$6,175,711

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Statements of Cash Flows

	For the Years Ended June 30,	2013	2012
Cash flows from operating activities			
Change in net assets		\$ 489,936	\$ 1,565,080
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Unrealized gain on investments		(472,355)	(51,963)
Contribution of restricted donations		(54,338)	(1,413,012)
Provision for doubtful accounts		(3,042)	2,930
(Increase) decrease in:			
Accounts receivable		(31,881)	8,478
Prepaid expenses		(500)	(2,000)
Unrestricted unconditional promises to give		472,963	272,584
Increase (decrease) in:			
Accounts payable		(1,685)	(134,290)
Refundable advance		82,799	113,592
Net cash provided by operating activities		<u>481,897</u>	<u>361,399</u>
Cash flows from investing activities			
Purchase of investments		(127,717)	(1,309,232)
Proceeds from sale of investments		<u>(13,701)</u>	45,435
Net cash used in investing activities		<u>(141,418)</u>	<u>(1,263,797)</u>
Cash flows from financing activities			
Change in long-term unconditional promises to give		13,506	(91,381)
Payments on promises to give to others		(297,197)	(556,929)
Collections of restricted contributions		<u>251,656</u>	1,417,064
Net cash used in (provided by) financing activities		<u>(32,035)</u>	768,754
Net change in cash and cash equivalents		308,444	(133,644)
Cash and cash equivalents			
Balance, beginning of year		<u>503,002</u>	636,646
Balance, end of year		<u>\$811,446</u>	<u>\$ 503,002</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Statements of Functional Expenses

	For the Year Ended June 30, 2013			
	Operating	Program	Fundraising	Total
In-kind distributions				
Donated assets		\$ 68,934		\$ 68,934
Donated materials	\$ 22,783			22,783
Donated services	324,870	121,275	\$71,446	517,591
Support – instructional and student programs		312,248		312,248
Scholarships		521,911		521,911
Printing	1,115	2,674	8,845	12,634
Allowance for uncollected pledges	310	8,644		8,954
Investment fees		38,875		38,875
Office supplies		281		281
Postage	200			200
Other services	13,353	96,541	1,983	111,877
Total expenses	<u>\$362,631</u>	<u>\$1,171,383</u>	<u>\$82,274</u>	<u>\$1,616,288</u>

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

For the Year Ended June 30, 2012

<u>Operating</u>	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
	\$ 21,431		\$ 21,431
\$ 31,904			31,904
515,683			515,683
	150,150		150,150
	543,586		543,586
1,177	4,455	\$7,315	12,947
368	197		565
	27,406		27,406
90	1,911		2,001
186			186
26,917	127,242	931	155,090
<u>\$576,325</u>	<u>\$876,378</u>	<u>\$8,246</u>	<u>\$1,460,949</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

The Riverside Community College District Foundation (the "Foundation") was formed as a nonprofit corporation on October 21, 1975, to solicit funds, provide support for the programs and projects of the Riverside Community College District (the "District"), and to account for the issuance of scholarships to the students of the District. The Foundation also serves as a link between the District and the community.

Financial Statement Presentation

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by the Financial Accounting Standards Board (FASB), Accounting Standards Codification 958-20, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others* (formerly FAS 136). The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program expenses.

Fair Value Measurements

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. All other financial instruments' fair values approximate their carrying amounts due to the short maturities of these instruments.

Net Asset Classifications

Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the assets as specified. These restrictions are satisfied either by the passage of time or by actions of the Foundation.

Permanently restricted net assets contain donor-imposed restrictions and stipulate that the resources be maintained permanently, but permit the Foundation to use, or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. As restrictions on the net assets expire, due to time passing and earnings becoming available for expenditure, the funds are released to either temporarily restricted net assets or unrestricted net assets as applicable.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Expiration of Donor-Imposed Restrictions

Temporarily restricted net assets have donor-imposed restrictions that permit the Foundation to use up or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Foundation. As the restrictions expire and become available for expenditure, the funds are released to unrestricted net assets.

Endowment Funds

The Foundation endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) which has been enacted by the State of California. Donations made to the Foundation are classified as permanently restricted if the donor has stipulated the donation is to be held in perpetuity by the Foundation.

The Foundation has a spending policy which governs the funds to be transferred from the endowment. If the donor has provided endowment funds that are permanently restricted, the Foundation will obtain from the donor a description of any further restrictions to be placed on any earnings from the permanently restricted funds. If there are further restrictions, either program or time restrictions, the earnings are considered temporarily restricted until such time as the restrictions are met. Unspent earnings are returned to the corpus if required by the original agreement with the donor.

The Foundation's investment policy for endowment funds is to preserve and enhance the purchasing power while providing a relatively predictable, stable, and constant stream of earnings consistent with the Foundation's spending needs to enable the Foundation to provide scholarships to District students. Investments will be diversified to avoid undue risk and will be sufficiently liquid to meet operating requirements. Annual spending parameters take into consideration the rate of inflation and real growth of the pooled investment fund. Spending percentage shall be average earnings of the past three years, less inflation rate, at a maximum of 4.5 percent of a three-year average market value.

The permanently restricted balances at June 30, 2013 and 2012 were \$5,603,089 and \$5,109,931, respectively, and the balances designated by the board for scholarships were \$17,130 and \$15,669, respectively. The endowment funds consist of pooled investment funds. The activity in the permanently restricted net asset class is reflected in the statement of activities and changes in net assets. Amounts appropriated for expenditures and/or reclassification are shown as net assets released from restriction. Board designated balance is included in the unrestricted net asset class.

Public Support and Revenue

The Foundation receives substantially all of its revenue from direct donations and pledges. Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized gains/losses and unrealized gains/losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) is reported as assets are released from restriction between the applicable classes of net assets.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the time of the gift.

Comparative Financial Information

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

Donated Assets, Services, and Facilities

The Foundation records the value of donated assets, services, and facilities when there is an objective basis available to measure their value. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation and fair market value of facilities for the year. Donated assets, if received for the benefit of the Foundation, are capitalized at the stated donated value and depreciated in accordance with Foundation policies, unless they are passed through to the District. During the years ended June 30, 2013 and 2012, all donated assets have been passed through to the District. Donated services are reflected in the accompanying statements when the criteria for recognition have been met and are recorded at fair value.

Use of Estimates

The preparation of financial statements in conformity with United States of America generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and accompanying notes. While management believes that these estimates are adequate, actual results could differ from those estimates.

Income Taxes

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There were no unrelated business activities during the years ended June 30, 2013 and 2012. The Foundation is no longer subject to United States federal or state examinations by tax authorities for the years before 2009 and 2008, respectively. During the years ended June 30, 2013 and 2012, the Foundation did not recognize any interest or penalties associated with any tax positions.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Cash Equivalents for Statements of Cash Flows

For purposes of the statements of cash flows, the Foundation considers all highly liquid unrestricted investments available for current use purchased with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined the amount of allowance for uncollectible promises to give at June 30, 2013 and 2012 to be \$6,955 and \$9,997, respectively.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis. Accordingly, based upon management's estimates, certain costs have been allocated among the programs, support services, and fundraising activities.

2. Concentration of Risk

The Foundation has cash and cash equivalents in financial institutions that may or may not be insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At various times throughout the year, the Foundation may have cash balances at financial institutions which exceed the FDIC insurance limit. Additionally, the Foundation deposits are covered under the collateralization of governmental funds agreement which provides for collateralization of deposits with eligible securities at a rate of 110 percent of the deposit on hand. As of June 30, 2013, the balances held in financial institutions of \$1,206,950 were not fully insured, but were collateralized with securities held by the financial institution, but not in the Foundation's name. Management reviews the balances and the financial condition of these financial institutions on a periodic basis and does not believe this concentration of cash results in a high level of risk for the Foundation.

3. Unconditional Promises to Give

Unconditional promises to give at June 30, 2013 and 2012 consist of pledges and are due within the following schedule:

	June 30,	
	2013	2012
Due within one year	\$ 75,713	\$543,342
Due within one to five years	81,974	96,191
Less allowance for uncollectible promises to give	(6,955)	(9,997)
Total	<u>\$150,732</u>	<u>\$629,536</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

4. Investments

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2013:

	2013		
	Adjusted Cost	Fair Market Value	Unrealized Gain
Equities	\$2,102,233	\$3,341,691	\$1,239,458
Corporate bonds	998,776	1,141,114	142,338
Government bonds	573,507	570,065	(3,442)
Investment in the California Community Colleges Scholarship Osher Endowment Fund	<u>365,168</u>	<u>365,168</u>	
	<u>\$4,039,684</u>	<u>\$5,418,038</u>	<u>\$1,378,354</u>

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2012:

	2012		
	Adjusted Cost	Fair Market Value	Unrealized Gain
Equities	\$2,048,330	\$2,832,440	\$784,110
Corporate bonds	930,846	1,077,527	146,681
Government bonds	513,373	529,130	15,757
Investment in the California Community Colleges Scholarship Osher Endowment Fund	<u>365,168</u>	<u>365,168</u>	
	<u>\$3,857,717</u>	<u>\$4,804,265</u>	<u>\$946,548</u>

Market Value of Financial Assets and Liabilities

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

4. Investments (Continued)

The following provides a summary of the hierarchical levels used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities 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 or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2013 and 2012:

Equities: Valued at the closing price in the active market on which the individual equities are traded.

Corporate and government bonds: Valued at the closing price reported in the active market on which the individual securities are traded.

Investment in California Community Colleges Scholarship Osher Endowment Fund: Valued at net asset value of underlying shares held by a banking institution at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

4. Investments (Continued)

The table below presents the balance of assets measured at fair value for 2013. There were no liabilities outstanding and measured at fair value as of June 30, 2013.

	Carrying Value at			
	June 30, 2013	Level 1	Level 2	Level 3
Investments – corporate and government bonds	\$1,711,179	\$ 976,511	\$ 734,668	
Investments – equities	3,341,691	1,671,645	1,670,046	
Investment in California Community Colleges Scholarship Osher Endowment Fund	365,168			\$365,168
	<u>\$5,418,038</u>	<u>\$2,648,156</u>	<u>\$2,404,714</u>	<u>\$365,168</u>

There were no changes in the Foundation's level 3 assets measured at fair value for the year ended June 30, 2013.

The table below presents the balance of assets measured at fair value for 2012. There were no liabilities outstanding and measured at fair value as of June 30, 2012.

	Carrying Value at			
	June 30, 2012	Level 1	Level 2	Level 3
Investments – corporate and government bonds	\$1,606,657	\$ 894,870	\$ 711,787	
Investments – equities	2,832,440	1,457,598	1,374,842	
Investment in California Community Colleges Scholarship Osher Endowment Fund	365,168			\$365,168
	<u>\$4,804,265</u>	<u>\$2,352,468</u>	<u>\$2,086,629</u>	<u>\$365,168</u>

There were no changes in the Foundation's level 3 assets measured at fair value for the year ended June 30, 2012.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
Notes to Financial Statements

5. Accounts Payable

Accounts payable for the Foundation consisted of the following:

	June 30,	
	2013	2012
Payable to District for program expenses	\$63,999	\$65,619
Vendor payables	1,855	1,920
	<u>\$65,854</u>	<u>\$67,539</u>

6. Refundable Advances

During the year ended June 30, 2012, the Foundation was awarded a \$350,000 grant to develop an education model in conjunction with a local unified school district through the fall of 2014. As of June 30, 2013, \$240,000 of the \$350,000 total grant was received. Of the total received, \$43,609 has been spent on program expenses and thus recognized as revenue in the year ended June 30, 2013. The remaining unspent amount of \$196,391 is included in refundable advance.

7. Net Assets

At June 30, 2013 and 2012, unrestricted net assets included \$17,130 and \$15,669, respectively, designated by the board of directors for scholarships.

At June 30, temporarily restricted net assets were available for the following purposes:

	2013	2012
Scholarships	\$ 459,252	\$ 619,971
Programs	587,893	619,332
	<u>\$1,047,145</u>	<u>\$1,239,303</u>

At June 30, 2013 and 2012, permanently restricted net assets consisted of \$5,603,089 and \$5,109,931, respectively, with investment earnings restricted for scholarships.

The unrestricted fund of the Foundation has incurred operating deficits in past years that created a net deficit ending balance. Management has increased unrestricted fundraising efforts and has reduced operating costs to correct this deficit. The board is in the process of seeking unrestricted resources to bring the operating fund to a positive position.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

8. Related Party Transactions

The Foundation provides various levels of monetary support and service to the District. The transactions are recorded within the financial statements as instructional and student programs and scholarship expense. The Foundation has contributed \$491,720 and \$148,819 to the District for student programs for the years ended June 30, 2013 and 2012, respectively. The Foundation has contributed \$521,911 and \$543,586 to the District for student scholarships for the years ended June 30, 2013 and 2012, respectively. Additionally, the Foundation promised to give a total \$5,833,783 of which \$1,700,000 and \$3,054,000 were to be passed through from the County of Riverside and the City of Riverside, respectively, under a memorandum of understanding with the District for construction of the Aquatics Complex. As of June 30, 2013 and 2012, the Foundation owed the District \$155,582 and \$452,779, respectively.

The District provides office space and other support to the Foundation. The Foundation office is currently housed in a building, which is owned by the District, and is jointly used by both the District and the Foundation. The Foundation leases the property at a cost of \$1.00 per year. This agreement expires November 30, 2018.

The Foundation received contributed employee services, other professional services, and materials valued at \$540,374 and \$547,587 from the District for the years ended June 30, 2013 and 2012, respectively.

9. Commitments

The Foundation is the fiscal agent for a scholarship component of a District Gear-Up Grant through the Department of Education. As of June 30, 2013, the Foundation has received a total of \$1,293,212 for years one through five of the five-year grant. At June 30, 2013, the funds, including interest income less a small amount expended for investment management fees, are included in the Foundation's temporarily restricted scholarship funds and total \$58,911. The Foundation began distributing the funds in the summer of 2007. During the year ended June 30, 2013, the Foundation has expended \$159,403 in scholarships and expenses related to the program.

10. Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. The volatility of the market and credit institutions after June 30, 2013 could have a significant, negative effect on the Foundation's investments.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Notes to Financial Statements

11. Subsequent Events

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through October 16, 2013, which is the date the financial statements were available to be issued. Management requested proposals from several investment bankers during the fiscal year ended June 30, 2013 regarding an intended change in custodian for the Foundation's investments. The change in investment fund managers occurred subsequent to the statement of financial position date and resulted in realized gains in the amount of \$1,114,419 that were presented as unrealized at June 30, 2013. Management has determined that there were no subsequent events or transactions, other than those stated above, that would have a material impact on the current year financial statements.

Michael R. Adcock, CPA
Shannon M. Carlson, CPA
Linda S. Devlin, CPA
Andrew Steinke, CPA

Of Counsel
Thomas E. Ahern, CPA
Nora L. Teasley, CPA

A California Limited Liability Partnership
Certified Public Accountants



AHERN·ADCOCK·DEVLIN·LLP
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Members
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Certified Public Accountants
Private Companies
Practice Section
Employee Benefit Plan
Audit Quality Center
Governmental Audit
Quality Center
California Society of
Certified Public Accountants

To the Board of Directors
Riverside Community College District Foundation

We have audited the financial statements of Riverside Community College District Foundation (the "Foundation") for the year ended June 30, 2013, and have issued our report thereon dated October 16, 2013. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 13, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The fair market value of investments is based upon market analysis as of June 30, 2013. We have obtained information from the investment managers in determining the fair presentation of these amounts.
- Management's estimate of the allowance for promises to give is based on an amount determined to be reasonable by management that is at least one percent of total promises to give, or specifically identified past due pledges that are likely to be uncollectible.
- Management's estimate of fair market value of donated services and materials, which is based on the actual cost of donated materials and hours allocated to the Foundation at the prevailing wage rate for the employees involved in the Foundation's activities, and cost of materials which is expected to approximate fair value at the time of donation.
- Management's estimate of the allocation of functional expenses is summarized on a functional basis and allocated among the program, operating, and fundraising activities based on the purpose for purchases and an estimate of employee time for donated services.

We evaluated the key factors and assumptions used to develop the allocation of functional expenses in determining that it is reasonable in relation to the financial statements taken as a whole. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Professional standards require that we inform you about uncorrected misstatements aggregated by us during our engagement that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The misstatements are listed in the attached Summary of Passed Adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 16, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Ahna Adeach Devlin LLP

Riverside, California
October 16, 2013

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION

Summary of Passed Adjustments

June 30, 2013

(1)

Temporarily restricted net assets	\$3,093	
Discount on pledges receivable		\$2,248
Temporarily restricted contribution revenue		\$845
To discount pledges receivable to net realizable value at June 30, 2013.		



Agenda Item (IV-D-4)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Resources (IV-D-4)
Subject	Resolution No.08-13/14 Designating Certain Products, Brands, and Services as District Standards
College/District	District
Funding	Various Resources
Recommended Action	It is recommended that the Board of Trustees adopt Resolution Number 08-13/14 Designating Certain Products, Brands, and Services as District Standards for equipment and installation into District buildings as permitted by Public Contract Code §3400(b).

Background Narrative:

Public Contract Code §3400(b), states that California public agencies must allow contractors to provide an "or equal" substitution for materials, products, things, or services that are specified in the contract documents. However, specifications for such contracts may designate a product by brand or trade name if the Board has made a finding, described in the invitation for bids or Request for Proposal (RFP), that a particular material, product, thing, or service is designated for any of the following purposes (Public Contract Code §3400(c)):

1. To conduct a field test or experiment to determine its suitability for future use;
2. To match others in use on a particular public improvement that has been completed or is in the course of completion;
3. To obtain a necessary item that is only available from one source;
4. To respond to the Board's declaration of an emergency, as long as the declaration has been approved by four-fifths of the Board when issuing the invitation for bid or RFP.

The definition of "or equal" is highly subjective and often results in incompatibility with existing systems and equipment. To address this situation, the Facility Working Group Committee was tasked with establishing District Standards. The Facility Working Group Committee includes the following members:

Chris Carlson, Chief of Staff and Facilities Development (District)
Bart Doering, Director of Construction (District)
Laurens Thurman, Facilities Consultant (District)
Norm Godin, Vice President, Business Services (Moreno Valley College)
Beth Gomez, Vice President, Business Services (Norco College)
John al-Amin, Interim Vice President, Business Services (Riverside City College)
Scott Zwart, Director, Facilities Maintenance and Operations (Riverside City College)
Steve Monsanto, Director, Facilities (Norco College)
Majd Askar, Purchasing Manager (District)

The District, in accordance with Public Contract Code §3400(c)(2), has found that the following systems and products should be designated by specific brand name to match other products already in use at the District and Colleges: Irrigation Control System, Key Cylinder System, Elevators, Energy Management System, Card Access System, and Fire Alarm System. The systems and products being designated have proven to be reliable and efficient through installations in various locations throughout the District. By approving this Resolution, the District is establishing District Standards which will reduce maintenance, staff training and inventory parts cost.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services
Chris Carlson, Chief of Staff & Facilities Development
Majd Askar, Purchasing Manager

Attachments:

[12032013_Resolution No. 08-13/14](#)

RIVERSIDE COMMUNITY COLLEGE DISTRICT

RESOLUTION DESIGNATING CERTAIN PRODUCTS, BRANDS, AND SERVICES

RESOLUTION NO. 08-13/14

WHEREAS, Pursuant to Public Contract Code Section 3400(c), the Riverside Community College District ("District") may make a finding that designates certain products, things, or services by specific brand or trade name for the statutorily enumerated purposes, and

WHEREAS, District Staff has reviewed the District's current facilities, general contracts, plans, and specifications in order to evaluate the District's need to establish uniform, complete and compatible maintenance service systems and technology systems district wide in order to facilitate the most reliable, dependable, cost efficient and feasible education for students in the District, and

WHEREAS, based on the Board's above described review and Public Contract Code Section 3400(c), the Board has determined that the District must require and specify the use of certain products, things, or services on District projects as found below, and

NOW, THEREFORE, THE BOARD DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section I. The District, in accordance with Public Contract Code Section 3400(c), has made a finding that a particular material product, thing, or service designated by specific brand or trade name will be designated in order to match other products in use on a particular public improvement either completed or in the course of completion.

Section 2. The District, pursuant to Public Contract Code Section 3400(c), intends to establish uniform, complete and compatible control, management and monitoring systems, equipment, materials and products district wide in order to facilitate the most reliable, dependable, cost efficient development of District facilities and programmatic activity.

Section 3. The District has found compatibility, cost, and utility of other available systems to be problematic and believes it is necessary to establish complete District systems to avoid incompatibility issues, as well as durability and reliability issues, and costs associated with experimenting, replacing incompatible and useless system parts/components, and to avoid the waste of District funds associated with addressing incompatible components, equipment, materials, and products.

Section 4. The District and its consultants have undertaken considerable research into the products/brands utilized by the said system, which would properly serve the District's administrative and educational purposes.

Section 5. The District's existing facilities already utilize specific products/brands relating to the said system. The District's findings contained herein are made to match those existing systems

currently in the District, and to avoid the cost of designing and engineering systems and components that may not be compatible, could never be made compatible or could only be made compatible after expending considerable District resources and funds.

Section 6. Pursuant to Public Contract Code Section 3400(c), the District's Governing Board desires to designate several proprietary systems and products for the District's use in order to match items in existing projects to establish one complete district wide system, avoiding incompatibility of products and systems.

Section 7. In addition to the need to establish a district wide system to ensure the compatibility of existing parts to new District parts, the District, pursuant to Public Contract Code Section 3400(c), also intends to establish uniform standards for the listed product and system for the following reasons:

- A. Irrigation Control System – *Hunter Irrigation Controls* are necessary for the District's Riverside City College and Norco College maintenance service system because:
 - a. The systems installed are proprietary and not interchangeable with other systems.
 - b. The District has a considerable investment in the existing system.
 - c. These products limit the need for additional staff training in operation and repairs of the existing mechanical systems.

- B. Irrigation Control System – *Rain Bird Irrigation Controls* are necessary for the District's Moreno Valley College maintenance service system because:
 - a. The systems installed are proprietary and not interchangeable with other systems.
 - b. The District has a considerable investment in the existing system.
 - c. These products limit the need for additional staff training in operation and repairs of the existing mechanical systems.

- C. Key Cylinder Systems – *Corbin Key Cylinder Systems* are necessary for the District's maintenance service system because:
 - a. The systems installed are proprietary and not interchangeable with other systems.
 - b. The District has a considerable investment in the existing system.
 - c. These products limit the need for additional staff training in operation and repairs of the existing mechanical systems.

- D. Elevators – *Otis Elevators* are necessary for the District's maintenance service system because:

- a. The systems installed are proprietary and not interchangeable with other systems.
 - b. The District has a considerable investment in the existing system.
 - c. These products limit the need for additional staff training in operation and repairs of the existing mechanical systems.
 - d. The district will benefit from the economies of scale for maintenance contracts.
- E. Energy Management System – *WebCTRL by Automated Logic* is necessary for the District's Energy Management System because:
- a. The systems installed are proprietary and not interchangeable with other systems.
 - b. The District has a considerable investment in the existing system.
 - c. This product limits the need for additional staff training in operation and repairs of the existing mechanical systems and associated software.
 - d. The district will benefit from the economies of scale for maintenance contracts.
- F. Card Access – *C-Cure Card Access System by Software House* is necessary for the District's card door access system because:
- a. The systems installed are proprietary and not interchangeable with other systems.
 - b. The District has a considerable investment in the existing system.
 - c. This product limits the need for additional staff training in operation and repairs of the existing mechanical systems and associated software.
 - d. The district will benefit from the economies of scale for maintenance contracts.
- G. Fire Alarm System – *Notifier Fire Alarm Panels* are necessary for the District because:
- a. This system and its component parts have already been installed District wide and are monitored by the Colleges Facilities Departments. This product limits the need for additional staff training in operation and repairs.
 - b. This system is integrated into our District wide fire alarm monitoring system, is fully functional at all campuses, and it integrates campuses, enhancing safety and control.
 - c. Introducing another product for new or renovated buildings will greatly reduce the built-in capabilities of the system. If another product was introduced, it would be a stand-alone

system and would not be integrated into the existing system.

Section 8: The designation of certain products/brands contained herein shall be effective until the District determines the certain products/brands contained herein need to be revised. At that time, District staff will review the products/brands and recommend to the Governing Board either re-adoption or discontinued use of the designated products/brands. The Governing Board shall then consider the recommendations and re-approve or discontinue the designation of the products/brands contained herein and/or approve additional/replacement products/brands as determined by the Governing Board.

ADOPTED this ____ day of _____, 2013.

President, Board of Trustees



Agenda Item (IV-E-1)

Meeting	12/3/2013 - Committee/Regular Board
Agenda Item	Committee - Facilities (IV-E-1)
Subject	Firm Selection and Agreement Amendment 3 for the Culinary Arts Academy/District Office Building and Agreement Amendment 3 for the Henry W. Coil, Sr. and Alice Edna Coil School for the Arts Building Projects with LPA, Inc.
College/District	District
Funding	College and District Allocated Measure C Funds/Program Reserve Measure C Funds/Program Reserve Measure C Funds, Redevelopment Funds, and La Sierra Funds
Recommended Action	It is recommended that the Board of Trustees approve: 1) the selection of LPA for FF&E Consulting Services for both the CAA/DO and CSA Building Projects; 2) the Agreement Amendment 3 with LPA, Inc. in the amount of \$67,230.50 for the CAA/DO project; and 3) the Agreement Amendment 3 with LPA, Inc. in the amount of \$42,853.50 for the CSA project.

Background Narrative:

On August 20, 2013, the Board of Trustees approved the updated list of prequalified Furniture, Fixtures and Equipment (FF&E) consulting firms for District and College projects.

On September 24, 2013, the District issued a Request for Proposals (RFP) for the FF&E Consulting Services for the Culinary Arts Academy (CAA) and District Offices (DO), Henry W. Coil, Sr. and Alice Edna Coil School for the Arts (CSA) buildings. The District received responses from the following three prequalified firms: PAL idStudio, LPA, Inc., and NTD Architecture.

At this time, it is requested that the Board of Trustees approve the selection of LPA, Inc. for FF&E Consulting Services for both the CAA/DO and CSA Building Projects, as LPA, Inc. has been the creative design architectural firm on these projects since June 2010 and June 2012, consecutively. It is also requested that the Board of Trustees approve the Agreement Amendment 3 with LPA, Inc. in the amount of \$67,230.50 for the CAA/DO project, and the Agreement Amendment 3 with LPA, Inc. in the amount of \$42,853.50 for the CSA project. Amended agreements combined, total \$110,084.00. Costs for the requested agreements are within the original project budgets approved by the Board of Trustees, and will be paid from projects contingency funds.

Prepared By: Cynthia Azari, Interim Chancellor
Wolde-Ab Isaac, Interim President, Riverside
Chris Carlson, Chief of Staff & Facilities Development
Bart Doering, Director, Construction

Attachments:

[20131203_CAA-DO_Amendment 3_LPA](#)

[20131203_CSA_Amendment 3_LPA](#)

THIRD (3) AMENDMENT TO AGREEMENT
BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
LPA
(Culinary Arts Academy and District Office Building Project)

This document amends the original agreement between the Riverside Community College District and LPA, which was originally approved by the Board of Trustees on June 15, 2010.

The agreement is hereby amended as follows:

Additional compensation of this amended agreement shall not exceed \$67,230.50, including reimbursable expenses, totaling agreement to \$2,375,571.50. The term of this agreement shall be from the original agreement date of June 16, 2010, to the completion of the project. Payments and final payment shall coincide with original agreement.

Additional scope of work shall be provided in Exhibit I, attached.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date written below.

LPA

RIVERSIDE COMMUNITY COLLEGE
DISTRICT

By: _____

Robert O. Kupper, AIA
Chief Executive Officer
5161 California Avenue, Suite 100
Irvine, CA 92617

By: _____

Aaron S. Brown
Vice Chancellor
Business and Financial Services

Date: _____

Date: _____

Exhibit I

Project: Culinary Arts Academy and District Office Building – FF&E Consulting Services

FEE PROPOSAL

LPA fee proposal is based on information provided in the RFP and assumptions based on LPA's on-going work with the District. LPA is open to negotiating with the District regarding the proposed schedule, scope and fee to come to a mutually beneficial fee agreement.

Culinary Arts Academy and District Offices	
Floor	Fee by Floor
1st Floor	\$ 12,168.00
2nd Floor	\$ 19,017.00
3rd Floor	\$ 20,356.50
4th/Roof	\$ 3,438.00
Inventory	\$12,251.00
Total Culinary Arts Academy and District Offices	\$ 67,230.50

Henry W. Coil, Sr. and Alice Edna Coil School for the Arts	
Floor	Fee by Floor
1st Floor	\$ 22,657.50
2nd Floor	\$ 14,751.00
Inventory	\$ 5,445
Total Henry W. Coil, Sr. and Alice Edna Coil School for the Arts	\$ 42,853.50

Total Proposed Fee	\$ 110,084.00
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BASIC HOURLY RATE SCHEDULE

Principal	\$ 215.00
Senior Managing Director	\$ 195.00
Senior Project Director	\$ 180.00
Project Director	\$ 165.00
Senior Project Manager	\$ 150.00
Managing Professional	\$ 140.00
Senior Professional	\$ 125.00
Professional	\$ 115.00
Professional Staff	\$ 105.00
Intermediate Staff	\$ 95.00
Staff	\$ 85.00
Support Specialist	\$ 75.00
Clerical Staff	\$ 70.00
Intern	\$ 60.00

Note: These rates became effective January 1, 2013 and are subject to change annually.

FURNITURE MANAGEMENT & DESIGN SERVICES SCOPE OF SERVICES

LPA's proposed fee includes the inventory of existing spaces, furniture, musical instruments and equipment identified below. LPA's scope of services does not include the tagging or moving of any furniture, musical instruments or equipment.

In the Furniture Inventory phase of work, LPA shall assess the existing spaces including classrooms, rehearsal rooms, private offices, open offices and conference room furniture, musical instruments and equipment at the following facilities:

District Facilities Planning, Design and Construction Building located at 450 E. Alessandro Blvd. Riverside, CA 92508

District Office Building located at 1533 Spruce Street, Riverside, CA 92501-3225

Riverside City College Music Department spaces located at 4800 Magnolia Ave, Riverside, CA 92506

Riverside City College North Hall spaces located at 4800 Magnolia Ave, Riverside, CA 92506

Riverside City College IT Department rooms located at 4800 Magnolia Ave, Riverside, CA 92506

LPA will visit each site to identify furniture, musical instruments and equipment to be relocated to the new Culinary Arts and District Office Building or the new Coil School for the Arts in downtown Riverside. LPA will make recommendations via a written report of existing furniture, musical instruments and equipment to be relocated to the new facilities once constructed.

Inventory will consist of providing counts of existing furniture including: casegoods, tables, seating, shelving, systems furniture, musical instruments and equipment. Dimensions of casegoods, tables and shelving will be noted as part of the inventory. System furniture inventory will consist of identifying the size of the workstations, documenting current configurations, finishes and identifying manufacturer if labels exist. LPA will not inventory every component within a workstation.

INVENTORY OF EXISTING FURNITURE SYSTEMS

- Survey existing furniture in the District Facilities Planning, Design and Construction
- Survey existing furniture in the District Office Building
- Provide inventory report
- Two Meetings with RCCD Representatives
- Provide report of suggested furniture to be relocated
- Provide final furniture relocation documentation
- Products will be photographed as part of the inventory documentation

Revisions PRE-PROCUREMENT & DESIGN PHASE

- Prepare Preliminary Schedule
- Project meetings / Programming
- Furniture Tour / Furniture Evaluation (1)
- Product Selections
- Complete layout of furniture plans based on program
- Finish selections
- Revisions

DOCUMENTATION PHASE

- Specification Meetings
- Dealer Coordination
- Coded Furniture plans /Dealer Drawings & Typicals
- Electronic Color board
- Issue and coordinate documents with dealer(s) & Purchasing for Procurement

INSTALLATION ADMINISTRATION PHASE

- Electrical Coordination
- Furniture Tracking (manufacturing, Shipping, Installation)
- Punchwalk (1)
- Corrective items
- Follow-up walk through (1)

ADMINISTRATIVE AND MANAGEMENT

- Meeting Minutes & Documentation
- Management review

THIRD (3) AMENDMENT TO AGREEMENT
BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
LPA
(Henry W. Coil Sr. and Alice Edna Coil School for the Arts)

This document amends the original agreement between the Riverside Community College District and LPA, which was originally approved by the Board of Trustees on June 19, 2012.

The agreement is hereby amended as follows:

Additional compensation of this amended agreement shall not exceed \$42,853.50, including reimbursable expenses, totaling agreement to \$2,415,337.50. The term of this agreement shall be from the original agreement date of June 20, 2012, to the completion of the project. Payments and final payment shall coincide with original agreement.

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All other terms and conditions of the original agreement shall remain in full force and effect.

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DISTRICT

By: _____
Robert O. Kupper, AIA
Chief Executive Officer
5161 California Avenue, Suite 100
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By: _____
Aaron S. Brown
Vice Chancellor
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Date: _____

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Project: Henry W. Coil Sr. and Alice Edna Coil School for the Arts – FF&E Consulting Services

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- Corrective items
- Follow-up walk through (1)

ADMINISTRATIVE AND MANAGEMENT

- Meeting Minutes & Documentation
- Management review



Agenda Item (V-A)

Meeting	12/24/2013 - Committee/Regular Board
Agenda Item	Other Business (V-A)
Subject	Selection of Chancellor Search Committee
College/District	District
Funding	
Recommended Action	It is recommended that the Board of Trustees appoint members for the Chancellor Search Committee

Background Narrative:

At the Board of Trustees Committee Meeting on November 5, 2013, the Board of Trustees selected a chair and co-chair of the Chancellor Search Committee and authorized the District to seek nominations for the Chancellor Search Committee. The Chair and Co-Chair are included on the attached matrix listing committee membership from various groups.

The nominations submitted by constituent groups have been received for Chancellor Search Committee Member consideration and are provided on an additional attachment.

Representatives shall be appointed from the nominations received to the slots allocated on the selection matrix.

Prepared By: Vicki Nicholson, Vice Chancellor (Interim), Diversity and Human Resources

Attachments:

[20131203_Selection of Chancellor Search Committee_Backup](#)

BP 2431 CHANCELLOR SELECTION

References:

Education Code Sections 70901.2, 70902 (b)(7) & (d) and 87100 et seq;
Title 5 sections 51023.5 and 53000 et seq;
Accreditation Standard IV.B.1.b, e and j

In the case of a Chancellor vacancy, the Board of Trustees shall establish a search process to fill the vacancy. The process shall comply with relevant regulations.

Date Adopted: May 15, 2007

AP 2431 CHANCELLOR SELECTION

Reference:

Education Code Sections 70901.2, 70902 (b)(7) & (d) and 87100 et seq;
Title 5 sections 51023.5 and 53000 et seq;
Accreditation Standards III A.1, III A.3, IV A.2 and IV B.1.b., e., and j.

The process for hiring the Chancellor will be inclusive, participatory and transparent. The district and community will be informed and involved throughout the process through the distribution of regular progress reports and a dedicated webpage with up-to-date information.

Executive Search Firm

1. The Board of Trustees in consultation with the Vice Chancellor, Diversity and Human Resources may employ a search consultant to assist with the hiring process and recruit candidates.
2. Diversity and Human Resources Department will solicit proposals from executive search firms to assist the Board in filling the open position. After review of the proposals, the Board will select a firm to conduct the Chancellor search.

Chancellor Profile

1. Public forums with district constituencies (students, staff, faculty, management) and the community will be held to obtain suggestions for qualities, characteristics and desired/required qualifications for the Chancellor.
2. The Chancellor profile will be developed from these suggestions, reviewed by the search committee and finalized by the Board.

Job Announcement

The job announcement for the position shall be developed by the Diversity and Human Resources Department in collaboration with the Associate Vice Chancellor, Public Affairs & Institutional Advancement and shall include the following information:

1. The position profile, including qualities, characteristics and desired/minimum qualifications for the position
2. How to apply
3. "Review" of applications or closing date

Advertisements will appear in publications and websites such as, but not limited to:

Affirmative Action Register
CalJobs.Ca.gov
CCC Registry
Chronicle of Higher Education
Community College Times
Diverse Issues in Higher Education
HERC
HigherEdJobs.com
HispanicOutlook.com
InsideHigerEd.com
LatinosinHigerEd.com
Local Newspapers
tribalcollegejournal.org

Screening Committee Composition

The composition of the screening committee for the position of Chancellor will be determined by the Board and shall include representation broadly reflective of the district's constituencies and shall be comprised of the following with the ideal committee between 12 to 16 members:

1. Board of Trustee representatives selected by the Board and adopted Chair and Co-chair of the search committee
2. Faculty representatives nominated by each campus/college academic senate
3. Faculty representatives nominated by the CTA
4. Part-time faculty representative nominated by the CTA
5. Student representative nominated by ASRCC
6. Classified representative nominated by the CSEA
7. Confidential representative nominated by the Confidential Employees Group
8. Management representative nominated by the District Management Association
9. Foundation representative nominated by the RCCD Foundation Board
10. Community representatives selected by the Board, broadly reflective of the district

Search Committee Member Responsibilities

1. Assist in the search for Chancellor using the profile statement of qualities, characteristics and desired/minimum qualifications
2. Follow Equal Employment Opportunity guidelines and considerations as well as the federal, state and local regulations
3. Establish and follow the timetable for screening and interviewing that will bring recommendations to the Board by a certain date

4. Make periodic reports to the college constituents and community on the progress of the search (chair)
5. Evaluate and rate candidates
6. Interview candidates
7. Recommend, ideally, five to seven candidates, in unranked alphabetical order, to the Board of Trustees.

Committee members shall maintain strict confidentiality with regard to candidates, applicants, and nominees for the position throughout the entire hiring process and after the process is complete.

A committee member who fails to participate in the screening process or all interviews shall be removed from the committee.

Screening Committee Operating Procedures

1. The initial meeting of the screening committee shall be convened by the Search Committee Chair. The initial meeting will include EEO training, overview of the search process and confidentiality, review of the position profile, training in review of application materials and set tentative dates for screening and interviewing.
2. No additions or replacements to the committee membership shall be made subsequent to the initial meeting of the screening committee.
3. The screening committee shall develop the following for use in evaluating candidates against the chancellor profile:
 - a. Paper screening criteria and interview questions.
 - b. Parameters for conducting interviews

Screening of Applications and Selection of Candidates for Interview

1. The search consultant or Vice Chancellor, Diversity and Human Resources will receive applications and make all applications available to the screening committee.
2. The applications shall be independently assessed by each member of the screening committee, using the rating criteria developed by the committee. Committee members shall avoid any discussion of ratings, rankings, or recommendations of candidates until independent evaluations of all candidates have been completed by each committee member.
3. The committee will then discuss the ratings and evaluate the merits of the candidates to determine if there is an adequate pool of professionally qualified candidates with which to continue the selection process.
4. If the pool is deemed adequate by the committee, the committee shall proceed with the selection of candidates for interview.
5. If the pool is not deemed adequate by the committee, the committee shall discuss the matter with the Search Consultant, who shall determine the action to

be taken after consultation with the Vice Chancellor, Diversity and Human Resources or designee.

Selection of Candidates for Interview

1. The screening committee shall determine an initial pool of potential candidates for interview.
2. The search consultant or Vice Chancellor, Diversity and Human Resources shall establish an interview schedule and notify the candidates to be interviewed.
3. The Vice Chancellor, Diversity and Human Resources will contact each candidate confirming the interview appointment, place and time and provide other appropriate materials to all candidates.

Initial Interviews

- The circumstances of each interview shall be as similar as is practicable.
- Each candidate will be asked the same interview questions developed by the committee.
- Committee members shall avoid any discussion of ratings, rankings, or recommendations of the candidates until all interviews have been completed and independent evaluations have been completed by each committee member.

Selection of Finalists

1. The committee chair shall lead discussion, which shall focus on the strengths and weaknesses of the candidates to determine the candidates to be recommended as finalists.
2. The search consultant or Vice Chancellor, Diversity and Human Resources shall conduct reference and background checks of each of the recommended finalists, which shall include investigation of professional experience and personal qualities relevant to performance in the position. Following a discussion of the results of the reference checks, the committee shall make a final determination of the candidates to be recommended as finalists to the Board of Trustees.
3. The Board will review the finalists recommended by the committee and may:
 - a. Meet with the committee to clarify the reasons for the finalist recommendations.
 - b. Meet with the search consultant or Vice Chancellor, Diversity and Human Resources to review results of the reference and background checks
4. If, after discussion, the Board is not satisfied with the committee's recommendation, the Board may request the committee to reconsider. If, after reconsideration, the committee forwards the same recommendation, the Board will determine whether to continue the process.
5. If the Board is satisfied with the finalists recommended by the committee, the Board may:

- a. Interview recommended candidates, following the same process used for the “Initial Interviews”, to narrow the number of finalist before making a public announcement.
- b. Announce the finalist recommended by the committee to the public.

Public Forums

Public forums and/or site visits may be conducted as part of the hiring process for Chancellor.

1. Public forums shall be conducted to introduce candidates to the district’s constituents and the community.
2. If a site visit is conducted as part of the hiring process, the composition of the visiting team shall be determined by the Board.

Selection of Chancellor

The Board of Trustees will interview finalists for Chancellor.

1. On completion of the final interviews, the Board will make their selection of a candidate.
2. On acceptance by the selected candidate, the Board and the Vice Chancellor of Diversity and Human Resources and/or legal council will enter into contract negotiations with the candidate.
3. When a contract has been agreed to the Board will make a public announcement. The contract will be signed by the selected candidate and the President of the Board of Trustees.

Office of Primary Responsibility: Diversity and Human Resources Department

Also see Administrative Procedure 3410, titled Nondiscrimination and Administrative Procedure 3420, titled Equal Employment Opportunity

Date Approved: May 19, 2009

Chancellor Search Committee

Committee Members	Comments Professional Description	
Board of Trustees		
Chair	Nathan Miller	RCCD BOT Trustee Area 1
Co-Chair	Mary Figueroa	RCCD BOT Trustee Area 3
California Teacher's Association		
FT		
PT		
Academic Senate		
MVC		
NC		
RCC		
California School Employees Association		
Confidential Employees		
Management Association		
Associated Students Riverside Commuty College (ASRCC)		
Foundation		
Community Members		

CHANCELLOR SEARCH COMMITTEE NOMINATIONS

CTA Nominations

Dr. Fabian Biancardi

Dr. Dariush Haghighat

Mrs. Cynthia Mahon part time representative

Academic Senate - Riverside City College

Lee Nelson, Academic Senate President *

Academic Senate – Moreno Valley

Sal Soto – Associate Professor/Counselor *

Academic Senate – Norco

Dr. Lyn Greene *

Confidential Representative

Martha Arellano *

CSEA

Eric Muehlebach

Tim Ragusa (District)

Gustavo Segura (MVC)

Tanya Wilson (NC)

Stephen Ashby (RCC)

CSEA has requested additional representation to equal the number of faculty representatives on the committee

Management Leadership Association (MLA)

Sylvia Thomas *

Self-Nomination

Nick Sinigaglia – Associate Professor – MVC *

Foundation

Raul “Raleigh” Aballi *

ASRCC

Need student representative

Community members

To be nominated by board

Note: * Indicates that we have a nomination form in for this person.

**Chancellor Search
Riverside Community College District
Committee Nomination Form**

NOMINEE

Name: Sal Soto

Entity/Title: Associate Professor / Counselor

Address: [REDACTED] Norco Ca. 92860

Business Phone: _____ Home Phone: n/a

E-mail: salvador.soto@mvc.edu Cell Number: (805) 729-1262

Affiliation to District: (check one or more as appropriate)

Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____

Gender: Male Ethnicity: Mexican

Connection to District/How long: 9 yrs. Faculty (+ 3 years (1990-93) RCC student)

What Value Individual Nominated Will Bring or Add to the Process **OR** How Has Individual Demonstrated Interest in this community college?

1995 was hired as a Faculty and became very involve in our college and district via committees
I have participated in various hiring committees ranging from Faculty, Deans, V.P. and Presidents.
Committee involvement:
Faculty Academic Senate for 9 years (5 of those as Vice President).
Academic Planning Council Chair, Assist. Chair of HASS (Counseling), MVC Comprehensive Mater Plan
Steering member, MVC Construction Project member, RCCD AA/AS Area of Emphasis,
BOT Committee Member, MVC Student Equity committee.
I am a proud product of our GREAT community college district prior to transfer to UCSB (1993).

NOMINATOR

Name: Sal Soto

Entity/Title: Associate Professor / Counselor

Home Address: _____

Business Phone: _____ Home Phone: _____

E-mail: salvador.soto@mvc.edu Cell Number: 805 729-1262

Please return to Art Alcaraz, Director of Diversity and Human Resources, 450 E. Alessandro Blvd., Riverside CA 92508, art.alcaraz@rccd.edu by **November 20, 2013.**

Chancellor Search
Riverside Community College District
Committee Nomination Form

NOMINEE

Name: DR. Lyn Greene
Entity/Title: Senate President / Norco College
Address: 2001 Third Street Norco, CA 92860
Business Phone: 951-538-6882 Home Phone: 909-338-5725
E-mail: lyn.greene@norcocollege.edu Cell Number: 951-538-6882

Affiliation to District: (check one or more as appropriate)

Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____

Gender: F Ethnicity: White
Connection to District/How long: Administrator / Faculty | 12 years

What Value Individual Nominated Will Bring or Add to the Process **OR** How Has Individual Demonstrated Interest in this community college?
Service to the college on Senate Grants, Business & Facilities Planning Council, ISPC, 'Distance Education'

NOMINATOR

Name: Norco Senate (Academic)
Entity/Title: _____
Home Address: _____
Business Phone: _____ Home Phone: _____
E-mail: _____ Cell Number: _____

Please return to Art Alcaraz, Director of Diversity and Human Resources, 450 E. Alessandro Blvd., Riverside CA 92508, art.alcaraz@rccd.edu by **November 20, 2013.**

**Chancellor Search
Riverside Community College District
Committee Nomination Form**

NOMINEE

Name: Lee Nelson, MSN, RN
Entity/Title: RCC Senate & District Senate President
Address: [REDACTED], Anaheim, CA 92808
Business Phone: 951-222-8242 Home Phone: 909-518-2280
E-mail: lee.nelson@rcc.edu Cell Number: above

Affiliation to District: (check one or more as appropriate)

Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____

Gender: M

Ethnicity: W

Connection to District/How long: Senate President / Faculty / 17 years

What Value Individual Nominated Will Bring or Add to the Process OR How Has Individual Demonstrated Interest in this community college? Faculty of the College

NOMINATOR

Name: RCC Senate
Entity/Title: _____
Home Address: 4800 Magnolia Ave, Riverside CA 92506
Business Phone: _____ Home Phone: _____
E-mail: _____ Cell Number: _____

Please return to Art Alcaraz, Director of Diversity and Human Resources, 450 E. Alessandro Blvd., Riverside CA 92508, art.alcaraz@rccd.edu by **November 20, 2013.**

**Chancellor Search
Riverside Community College District
Committee Nomination Form**

NOMINEE

Name: MARTHA ARELLANO

Entity/Title: Human Resources Analyst

Address: RCCD DHR, 450 E. Alessandro Blvd., Riverside, CA 92508

Business Phone: 951-222-8591 Home Phone: _____

E-mail: martha.arellano@rccd.edu Cell Number: _____

Affiliation to District: (check one or more as appropriate)

Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____

Gender: Female Ethnicity: Hispanic

Connection to District/How long: 31 years

What Value Individual Nominated Will Bring or Add to the Process **OR** How Has Individual Demonstrated Interest in this community college?

Graduated from RCC in 1985. Has been employed by RCCD since 1985 and has served the District for 28 years as a classified and confidential full-time employee. Currently works in the Diversity and Human Resources Department. Her knowledge of the college/district and her experience in recruiting and selection would be an asset to the search committee.

She is currently the RCCD Confidential Employees Representative. The Confidential Employees group support Martha being their representative on the Chancellor Search.

NOMINATOR

Name: Martha Arellano on behalf of the RCCD Confidential Employees

Entity/Title: RCCD Confidential Employees Representative

Home Address: Same as above

Business Phone: _____ Home Phone: _____

E-mail: _____ Cell Number: _____

Please return to Art Alcaraz, Director of Diversity and Human Resources, 450 E. Alessandro Blvd., Riverside CA 92508, art.alcaraz@rccd.edu by **November 20, 2013**.

**Chancellor Search
Riverside Community College District
Committee Nomination Form**

NOMINEE

Name: Sylvia Thomas
Entity/Title: Associate Vice Chancellor, Educational Services
Address: [REDACTED], Riverside 92506
Business Phone: 222-8620 Home Phone: 951-684-8230
E-mail: sylvia.thomas@rccd.edu Cell Number: 951-236-6474
Affiliation to District: (check one or more as appropriate)
 Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____
Gender: Female Ethnicity: Hispanic/Filipi
Connection to District/How long: Since 1988

What Value Individual Nominated Will Bring or Add to the Process **OR** How Has Individual Demonstrated Interest in this community college?

This individual has served the District in multiple capacities and in multiple positions-as faculty, Dean, Vice President, and Associate Vice Chancellor. She is Past President and current President Elect for the Management Leadership Association, demonstrating the great respect that managers have for her. As a District employee who has served under the last several Chancellors, she is very familiar with the scope and breadth of responsibilities and functions of the Office of the Chancellor and with the position itself. As the current chief educational officer for the District and an ACCJC Site Visitor, she has a thorough understanding of the educational services and concerns at all 3 colleges and so is in a good position to determine if prospective candidates have that understanding as well. Finally, she brings needed diversity to the committee composition.

NOMINATOR

Name: Sandra Baker
Entity/Title: President, Management Leadership Association
Home Address: [REDACTED], Redlands, 92373
Business Phone: 951-222-8408 Home Phone: 909-796-8919
E-mail: sandy.baker@rcc.edu Cell Number: 951-236-6142

Please return to Art Alcaraz, Director of Diversity and Human Resources, 450 E. Alessandro Blvd., Riverside CA 92508, art.alcaraz@rccd.edu by **November 20, 2013**.

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**Chancellor Search
Riverside Community College District
Committee Nomination Form**

NOMINEE

Name: Raul "Raleigh" Aballi
Entity/Title: Resident Director, Merrill Lynch
Address: [REDACTED], Riverside CA 92507
Business Phone: (951) 369-3881 Home Phone: (951) 682-8262
E-mail: raul_aballi@ml.com Cell Number: (91) 662-7549
Affiliation to District: (check one or more as appropriate)
 Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____
Gender: M Ethnicity: Hispanic
Connection to District/How long: RCCD Foundation involvement since 2008

What Value Individual Nominated Will Bring or Add to the Process **OR** How Has Individual Demonstrated Interest in this community college?

Raul is an RCC alumnus, transferring to Cal Poly Pomona to complete his undergraduate degree. He feels strongly about the excellent education he received at RCC, and he is proud to give back through service to the District as a member of the RCCD Foundation, first as a member of the scholarship committee and then as a Board member. He currently serves as the President of the RCCD Foundation Board.

He has been with Merrill Lynch for more than 30 years, and currently serves as Resident Director, overseeing the Riverside office. He is responsible for hiring .

NOMINATOR

Name: RCCD Foundation Board of Directors
Entity/Title: c/o Joan Roberts- Nominating Committee Chair
Home Address: [REDACTED], Riverside CA 92507
Business Phone: (951) 727-4357 Home Phone: (951) 685-5390
E-mail: joan.e.roberts@sbcglobal.net Cell Number: (951) 522-6282

Please return to Art Alcaraz, Director of Diversity and Human Resources, 450 E. Alessandro Blvd., Riverside CA 92508, art.alcaraz@rccd.edu by **November 20, 2013**.

**Chancellor Search
Riverside Community College District
Committee Nomination Form**

NOMINEE

Name: Nick Sinigaglia
Entity/Title: Associate Professor, Philosophy
Address: [REDACTED]
Business Phone: (951) 571 6173 Home Phone: (951) 943 2547
E-mail: nick.sinigaglia@mvc.edu Cell Number: N/A
Affiliation to District: (check one or more as appropriate)
 Administrator Alumna/ae Faculty
 Foundation Student Staff/Employee
 Trustee Emeritus Community (Please Specify): _____
Gender: M Ethnicity: White
Connection to District/How long: Six years as full-time instructor

What Value Individual Nominated Will Bring or Add to the Process **OR** How Has Individual Demonstrated Interest in this community college?

I have served on the MVC Academic Senate for over five years, including a chairship for District Academic Standards. I have also served as interim full-time representative for the CTA executive board and am familiar with its workings. I am the current Director of the Honors Program at MVC. I am actively supportive of our Student Activity Center, having served as faculty advisor for several student clubs, currently LGBTSA. I also served as one of two faculty participants in our District's inaugural study abroad program in Beijing and am actively supportive of the District's Study Abroad Program generally. I think that as a participant in the chancellorship search committee I can fairly represent the interests of the District committees and programs within which I have worked.

NOMINATOR

Name: Self
Entity/Title: _____
Home Address: _____
Business Phone: _____ Home Phone: _____
E-mail: _____ Cell Number: _____

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