NEW ISSUE—FULL BOOK-ENTRY

RATINGS: S&P: "AA"; Moody's: "Aa1"
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$39,995,000
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)
Election of 2004 General Obligation Bonds,
Series 2019F

$100,295,000
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)
2019 General Obligation Refunding Bonds

Dated: Dated Date **Due: August 1, as shown on inside cover**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page but not otherwise defined shall have the meanings assigned thereto herein.

The Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2019F (the "Series 2019F Bonds"), were authorized at an election of the registered voters of the Riverside Community College District (the "District") held on March 2, 2004, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of $350,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the Series 2019F Bonds.

The Riverside Community College District (Riverside and San Bernardino Counties, California) 2019 General Obligation Refunding Bonds (the "2019 Refunding Bonds," and together with the Series 2019F Bonds, the "Bonds"), are being issued to (i) advance refund the District's outstanding Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) and (ii) pay the costs of issuing the 2019 Refunding Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of Riverside County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds (the "Current Interest Bonds"). Interest on the Bonds accrues from the date of initial delivery and issuance of the Bonds (the "Dated Date"), and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2020. The Bonds are issuable as fully registered Bonds in denominations of $5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as the paying agent, bond registrar and transfer agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Bonds are subject to optional redemption as provided herein.

MATURITY SCHEDULES
(see inside front cover pages)

The Bonds are being offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters are being passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Disclosure Counsel. The Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about November 14, 2019.

PiperJaffray®

Dated: October 24, 2019

MATURITY SCHEDULE

$39,995,000
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)
Election of 2004 General Obligation Bonds, Series 2019F

Base CUSIP[2]: 76886P

$39,995,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[2] Suffix
2020	$1,280,000	3.000%	0.990%	GU1
2021	1,155,000	4.000	0.980	GV9
2022	1,650,000	4.000	0.970	GW7
2023	300,000	4.000	1.010	GX5
2024	255,000	4.000	1.030	GY3
2025	215,000	4.000	1.080	GZ0
2026	1,240,000	4.000	1.150	HA4
2027	1,285,000	4.000	1.220	HB2
2028	2,010,000	4.000	1.310	HC0
2029	2,100,000	4.000	1.420	HD8
2030	2,225,000	4.000	1.560[1]	HE6
2031	2,335,000	4.000	1.750[1]	HF3
2032	2,465,000	4.000	1.890[1]	HG1
2033	2,080,000	3.000	2.390[1]	HH9
2034	2,365,000	3.000	2.500[1]	HJ5
2035	2,665,000	3.000	2.560[1]	HK2
2036	3,015,000	3.000	2.600[1]	HL0
2037	3,370,000	3.000	2.650[1]	HM8
2038	3,775,000	3.000	2.710[1]	HN6
2039	4,210,000	3.000	2.750[1]	HP1

(1) Yield to call at par on August 1, 2029.
(2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, Municipal Advisor or the District are responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019F Bonds.

MATURITY SCHEDULE

$100,295,000
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)
2019 General Obligation Refunding Bonds

Base CUSIP[2]: 76886P

$100,295,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[2] Suffix
2020	$2,215,000	3.000%	0.990%	HQ9
2021	285,000	4.000	0.980	HR7
2022	300,000	4.000	0.970	HS5
2023	310,000	4.000	1.010	HT3
2024	325,000	4.000	1.030	HU0
2025	335,000	4.000	1.080	HV8
2026	350,000	4.000	1.150	HW6
2027	365,000	4.000	1.220	HX4
2028	380,000	4.000	1.310	HY2
2029	395,000	4.000	1.420	HZ9
2030	410,000	4.000	1.560[1]	JA2
2031	1,185,000	4.000	1.750[1]	JB0
2032	7,825,000	4.000	1.890[1]	JC8
2033	8,890,000	4.000	1.970[1]	JD6
2034	9,420,000	4.000	2.060[1]	JE4
2035	9,970,000	4.000	2.130[1]	JF1
2036	10,525,000	3.000	2.600[1]	JG9
2037	10,995,000	3.000	2.650[1]	JH7
2038	11,465,000	3.000	2.710[1]	JJ3
2039	11,940,000	3.000	2.750[1]	JK0
2040	12,410,000	3.000	2.790[1]	JL8

[1] Yield to call at par on August 1, 2029.
[2] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CGS, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, Municipal Advisor or the District are responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. None the Underwriter, Municipal Advisor or the District are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds and Refunded Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Refunding Bonds and Refunded Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website and certain social media accounts. However, the information presented there is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
A Professional Corporation
San Francisco, California

Municipal Advisor

Keygent LLC
El Segundo, California

Paying Agent, Bond Registrar, Transfer Agent and Escrow Agent

U.S. Bank National Association
Los Angeles, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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$39,995,000 **RIVERSIDE COMMUNITY COLLEGE DISTRICT** **(Riverside and San Bernardino Counties, California)** **Election of 2004 General Obligation Bonds,** **Series 2019F**	**$100,295,000** **RIVERSIDE COMMUNITY COLLEGE DISTRICT** **(Riverside and San Bernardino Counties, California)** **2019 General Obligation Refunding Bonds**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover pages and appendices hereto, provides information in connection with the sale of (i) Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2019F (the "Series 2019F Bonds") and (ii) Riverside Community College District (Riverside and San Bernardino Counties, California) 2019 General Obligation Refunding Bonds (the "2019 Refunding Bonds," and, together with the Series 2019F Bonds, the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

Founded in 1916, the Riverside Community College District (the "District") encompasses approximately 440 square miles in Riverside County (the "County") and San Bernardino County (together with the County, the "Counties"). The assessed valuation of the territory of the District located in the County represents more than 99.9% of the District's assessed valuation. The District provides collegiate level instruction in grades 13 and 14 and contains the Riverside Unified, Alvord Unified, Corona-Norco Unified, Jurupa Unified, Moreno Valley Unified and Val Verde School Districts. The District operates Riverside City College, Norco College, and Moreno Valley College. Each of the District's three colleges is fully accredited by the Accrediting Commission for Community and Junior colleges (the "ACCJC"). For fiscal year 2019-20, the District has an assessed valuation of $112,630,867,960 and the District's full-time equivalent students ("FTES") count is budgeted to be 31,982 students. See also "TAX BASE FOR REPAYMENT OF BONDS" herein.

The District is governed by a five-member Board of Trustees (the "Board"), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Board-appointed Chancellor. Wolde-Ab Isaac, Ph.D. is the District's current Chancellor. See "RIVERSIDE COMMUNITY COLLEGE DISTRICT" herein.

See "TAX BASE FOR REPAYMENT OF BONDS" herein for information regarding the District's assessed valuation, and "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" and "RIVERSIDE COMMUNITY COLLEGE DISTRICT" herein for information regarding the District generally. The District's audited financial statements for the fiscal year ended June 30, 2018 are attached hereto as APPENDIX B and should be read in their entirety. The discussion of the District's financial history and the financial information contained herein does not purport to be complete or definitive.

Purpose of the Bonds

Series 2019F Bonds. The Series 2019F Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay certain costs of issuing the Series 2019F Bonds. See "THE BONDS – Application and Investment of Bond Proceeds," and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

2019 Refunding Bonds The 2019 Refunding Bonds are being issued to (i) advance refund the District's outstanding Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Pay to District) (Federally Taxable) (the "Refunded Bonds") and (ii) pay the costs of issuing the 2019 Refunding Bonds. See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to certain provisions of the Government Code and pursuant to resolutions adopted by the Board on September 17, 2019 for the Series 2019F Bonds (the "Series 2019F Resolution") and the 2019 Refunding Bonds (the "Refunding Resolution," and together with the Series 2019F Resolution, the "Resolutions"). See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered book-entry form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – General Provisions" and "THE BONDS – Book-Entry Only System" herein. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions. See "THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount or any integral multiple thereof.

Redemption. The Bonds are subject to optional redemption prior to their stated maturity dates, as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be dated as of the date of their initial delivery (the "Date of Delivery"). Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each February 1 and August 1, commencing February 1, 2020 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1 of each year, as shown on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California (the "State") personal income tax. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available in book-entry form for delivery through the facilities of DTC in New York, New York, on or about November 14, 2019.

Continuing Disclosure

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events in compliance with Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (the "Rule"). These covenants have been made in order to assist the Underwriter (defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C attached hereto.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, and certain other considerations see "TAX BASE FOR REPAYMENT OF BONDS" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Keygent LLC, El Segundo, California is acting as municipal advisor to the District with respect to the Bonds. Stradling

Yocca Carlson & Rauth, a Professional Corporation and Keygent LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds. U.S. Bank National Association has been appointed as the Paying Agent with respect to the Bonds and Escrow Agent with respect to the 2019 Refunding Bonds and the Refunded Bonds. Causey Demgen & Moore P.C. is acting as Verification Agent (as defined herein) with respect to the 2019 Refunding Bonds and the Refunded Bonds. From time to time, Bond Counsel represents the Underwriter in matters unrelated to the District or the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend," or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Riverside Community College District, 3801 Market Street, Riverside, California, Telephone: (951) 222-8000. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions.

THE BONDS

Authority for Issuance

The Series 2019F Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code and applicable provisions of the Education Code, Article XIIIA of the State Constitution, and pursuant to the Series 2019F Resolution. The District received authorization at an election held on March 2, 2004, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed $350,000,000 of general obligation bonds (the "2004 Authorization"). The Bonds are the final issuance of bonds pursuant to the 2004 Authorization, and following the issuance thereof, there will be no meaningful amount of the authorization remaining.

The 2019 Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and the Refunding Resolution.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representation that such a reserve will be established by the County or that such a reserve, if previously established by the County, will be maintained in the future. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) established by the Resolution, which fund is required to be segregated and maintained by the County and which is designated for the payment of the principal of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, the Bonds are not a debt of the County.

Moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its DTC Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service due on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in real property values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire, wildfire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIIIA of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See "THE BONDS – Book Entry Only System" herein.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery of the Bonds, and be payable semiannually on each Bond Payment Date, commencing February 1, 2020. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2020, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the cover hereof.

Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the 15th day of the month preceding any Bond Payment Date (a "Record Date"), whether or not such day is a business day, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof

So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds. See also "—Book-Entry Only System" below.

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Annual Debt Service

The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions.

	Series 2019F Bonds		2019 Refunding Bonds		
Year Ending August 1	Annual Principal Payment	Annual Interest Payment[(1)]	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service
2020	$1,280,000.00	$979,598.33	$2,215,000.00	$2,438,858.61	$6,913,456.94
2021	1,155,000.00	1,333,800.00	285,000.00	3,349,850.00	6,123,650.00
2022	1,650,000.00	1,287,600.00	300,000.00	3,338,450.00	6,576,050.00
2023	300,000.00	1,221,600.00	310,000.00	3,326,450.00	5,158,050.00
2024	255,000.00	1,209,600.00	325,000.00	3,314,050.00	5,103,650.00
2025	215,000.00	1,199,400.00	335,000.00	3,301,050.00	5,050,450.00
2026	1,240,000.00	1,190,800.00	350,000.00	3,287,650.00	6,068,450.00
2027	1,285,000.00	1,141,200.00	365,000.00	3,273,650.00	6,064,850.00
2028	2,010,000.00	1,089,800.00	380,000.00	3,259,050.00	6,738,850.00
2029	2,100,000.00	1,009,400.00	395,000.00	3,243,850.00	6,748,250.00
2030	2,225,000.00	925,400.00	410,000.00	3,228,050.00	6,788,450.00
2031	2,335,000.00	836,400.00	1,185,000.00	3,211,650.00	7,568,050.00
2032	2,465,000.00	743,000.00	7,825,000.00	3,164,250.00	14,197,250.00
2033	2,080,000.00	644,400.00	8,890,000.00	2,851,250.00	14,465,650.00
2034	2,365,000.00	582,000.00	9,420,000.00	2,495,650.00	14,862,650.00
2035	2,665,000.00	511,050.00	9,970,000.00	2,118,850.00	15,264,900.00
2036	3,015,000.00	431,100.00	10,525,000.00	1,720,050.00	15,691,150.00
2037	3,370,000.00	340,650.00	10,995,000.00	1,404,300.00	16,109,950.00
2038	3,775,000.00	239,550.00	11,465,000.00	1,074,450.00	16,554,000.00
2039	4,210,000.00	126,300.00	11,940,000.00	730,500.00	17,006,800.00
2040	--	--	12,410,000.00	372,300.00	12,782,300.00
TOTAL	$39,995,000.00	$17,042,648.33	$100,295,000.00	$54,504,208.61	$211,836,856.94

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2020.

See "RIVERSIDE COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds" herein for a schedule of the combined debt service requirements for all of the District's outstanding general obligation bonds.

Application and Investment of Bond Proceeds

Series 2019F Bonds. The Series 2019F Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the Series 2019F Bonds.

The net proceeds from the sale of the Series 2019F Bonds will be paid to the County treasury to the credit of the building fund (the "Building Fund") created by the Series 2019F Resolution, shall be accounted for together with the proceeds of other bonds of the District separately from all other District and County funds. Any accrued interest or premium received by the County from the sale of the Series 2019F Bonds will be paid to the County treasury, to the credit of the debt service fund created by the Series 2019F Resolution (the "Series 2019F Debt Service Fund") and used only for payment of principal of and interest on the Series 2019F Bonds, and for no other purpose. Any excess proceeds of the Series 2019F Bonds not needed for the authorized purposes for which the Series 2019F Bonds are being issued shall be transferred to the Series 2019F Debt Service Fund and applied to the payment of principal of and interest on the Series 2019F Bonds. Pursuant to the Series 2019F Resolution, the District has pledged monies on deposit in the Series 2019F Debt Service Fund to the payment of the Series 2019F Bonds. If, after payment in full of the Series 2019F Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

2019 Refunding Bonds. The 2019 Refunding Bonds are being issued to (i) advance refund the Refunded Bonds, and (ii) pay the costs of issuing the 2019 Refunding Bonds.

The net proceeds from the sale of the 2019 Refunding Bonds will be deposited with the Escrow Agent, to the credit of the "Riverside Community College District 2019 General Obligation Refunding Bonds Escrow Fund" (the "Escrow Fund") established pursuant to an escrow agreement relating to the Refunded Bonds (the "Escrow Agreement") by and between the District and the Escrow Agent. Pursuant to the Escrow Agreement, the amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the "Federal Securities"), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on August 1, 2020, such date being the first optional redemption date therefor, as well as the interest due on the Refunded Bonds on and prior to such date. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The below tables shows information on the specific maturities of the Refunded Bonds to be refunded with proceeds of the Bonds.

REFUNDED BONDS
Riverside Community College District
2004 of Election General Obligation Bonds, Series 2010D-1
(Build America Bonds – Direct Pay to District) (Federally Taxable)

Maturity Date (August 1)	CUSIP	Original Principal Amount	Outstanding Principal to be Refunded	Redemption Date	Redemption Price (% of Principal Amount)
2035	76886PEC3	$36,580,000	$36,580,000	08/01/2020	100%
2040	76886PED1	65,720,000	65,720,000	08/01/2020	100

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., as the verification agent (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. Additionally, the District will no longer be eligible to receive a federal subsidy for the interest on the Refunded Bonds. See also "LEGAL MATTERS – Escrow Verification" herein.

Any accrued interest and surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds will be transferred to and accounted for in the fund designated as the debt service fund created by the Refunding Resolution (the "2019 Refunding Debt Service Fund," and together with the Series 2019F Debt Service Fund, the "Debt Service Funds") and used by the District only for payment of principal of and interest on the 2019 Refunding Bonds and for no other purpose. Any excess proceeds of the 2019 Refunding Bonds not needed for the authorized purposes for which the 2019 Refunding Bonds are being issued will be transferred to the 2019 Refunding Debt Service Fund and applied to the payment of principal of and interest on the 2019 Refunding Bonds. Pursuant to the Refunding Resolution, the

District has pledged monies on deposit in the 2019 Refunding Debt Service Fund to the payment of the 2019 Refunding Bonds. If, after payment in full of the 2019 Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Investment of Proceeds. Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Building Fund and Debt Service Funds will be invested through the County's pooled investment fund. See "APPENDIX E – RIVERSIDE COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption.

Series 2019F Bonds. The Series 2019F Bonds maturing on or before August 1, 2029 are not subject to redemption. The Series 2019F Bonds maturing on or after August 1, 2030 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date, on or after August 1, 2029, at a redemption price equal to the principal amount of the Series 2019F Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

2019 Refunding Bonds. The 2019 Refunding Bonds maturing on or before August 1, 2029 are not subject to redemption. The 2019 Refunding Bonds maturing on or after August 1, 2030 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date, on or after August 1, 2029, at a redemption price equal to the principal amount of the 2019 Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part will be in the principal amount of $5,000 or any integral multiple thereof.

Redemption Notice. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "—Defeasance" herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in the Resolution and in "—Defeasance" herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

Rescission of Redemption Notice. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in "—Defeasance" herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity pursuant to the provisions of the Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, all as provided in the Resolution, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter takes any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants (as defined herein) (collectively, the "DTC Participants") will distribute to the Beneficial Owners (a) payments of principal, interest, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such bond, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. However, the information presented on such website is not incorporated herein by any reference to such website.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and "APPENDIX A – FORMS OF OPINION OF BOND COUNSEL" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which will at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry only system as described herein is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, and exchange of the Bonds.

Payment of interest on any Bond will be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds, will be payable upon maturity or redemption upon surrender at the designated corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds will be payable in lawful money of the United States of America.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the respective Debt Service Fund, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any), at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with any amounts transferred from the respective Debt Service Fund and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid, all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), or Moody's Investors Service ("Moody's").

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are expected to be as follows:

Sources of Funds	**Series A Bonds**	**2019 Refunding Bonds**
Principal Amount of the Bonds	$39,995,000.00	$100,295,000.00
Original Issue Premium	3,847,096.15	8,561,110.50
Total Sources	$43,842,096.15	$108,856,110.50
Uses of Funds		
Deposit to Building Fund	$39,680,017.50	--
Deposit to Series 2019F Debt Service Fund	3,847,096.15	--
Deposit to Escrow Fund	--	$108,249,477.84
Underwriting Discount	139,982.50	351,032.50
Costs of Issuance(1)	175,000.00	255,600.16
Total Uses	$43,842,096.15	$108,856,110.50

(1) Represents all costs of issuance to be paid from proceeds of the Bonds, including, but not limited to legal fees, printing costs, the costs and fees of the Municipal Advisor, Paying Agent, Escrow Agent, and Verification Agent, rating agencies fees, and other costs of issuance of the Bonds.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The principal of and interest on the Bonds are payable solely from the proceeds of* ad valorem *property taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as each County, city and special district property taxes. Assessed valuations are the same for both the District and the County's taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Tax Collector of each County (the "Tax Collector"). After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of $10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the respective Tax Collector.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "– Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including K-14 school districts, will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The table on the following page shows the assessed valuations for the District for fiscal years 2010-11 through 2019-20, each as of the date the equalized assessment tax roll is established in August of each year.

ASSESSED VALUATIONS[(1)]
Fiscal Years 2010-11 through 2019-20
Riverside Community College District

	Local Secured	Utility	Unsecured	Total	% Change
2010-11	$70,884,555,342	$17,070,552	$3,510,312,658	$74,411,938,552	(2.80)%
2011-12	71,033,382,597	18,140,282	3,671,974,029	74,723,496,908	0.42
2012-13	71,470,772,646	12,804,788	3,662,046,742	75,145,624,176	0.56
2013-14	74,096,179,170	12,523,766	3,588,456,165	77,697,159,101	3.40
2014-15	80,017,762,370	13,047,188	3,594,582,623	83,625,392,181	7.63
2015-16	84,573,602,557	13,021,079	3,709,240,141	88,295,863,777	5.58
2016-17	89,287,799,184	12,105,519	4,015,328,190	93,315,232,893	5.68
2017-18	94,704,395,968	11,753,060	4,070,827,569	98,786,976,597	5.86
2018-19	101,275,886,034	13,722,463	4,528,035,678	105,817,644,175	7.12
2019-20	107,872,144,328	14,321,017	4,744,402,615	112,630,867,960	6.44

(1) Assessed valuation includes only the assessed valuation of the District located within the boundaries of the County. A small portion of the District is located within the boundaries of San Bernardino County in Tax Rate Area 119-001, which has a preliminary fiscal year 2019-20 assessed valuation of $848,741. However, there will not be a tax levied in Tax Rate Area 119-001 for the payment of the Bonds.

Source: California Municipal Statistics, Inc.; Percent change figures provided by the Municipal Adviser.

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, fire, wildfire, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by the County assessor, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

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Assessed Valuation by Jurisdiction. The following table below shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2019-20 assessed valuation.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2019-20
Riverside Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Corona	$21,869,860,695	19.42%	$21,869,860,695	100.00%
City of Eastvale	10,396,734,985	9.23	10,396,734,985	100.00
City of Jurupa Valley	10,567,559,407	9.38	10,567,758,314	100.00
City of Moreno Valley	17,111,874,474	15.19	17,135,134,920	99.86
City of Norco	3,525,201,833	3.13	3,525,201,833	100.00
City of Perris	4,233,233,214	3.76	6,861,129,041	61.70
City of Riverside	31,782,095,968	28.22	31,782,095,968	100.00
Unincorporated Riverside County	13,144,307,384	11.67	45,667,165,927	28.78
Total District	$112,630,867,960	100.00%		
Riverside County	$112,630,867,960	100.00%	$296,389,624,7423	8.00%

Source: California Municipal Statistics, Inc.

Assessed Valuation and Parcels by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2019-20.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2019-20
Riverside Community College District

Non-Residential:	2019-20 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$864,124,157	0.80%	1,710	0.64%
Commercial/Industrial	25,666,199,376	23.79	10,844	4.08
Vacant Commercial/Industrial	2,496,890,487	2.31	3,732	1.40
Government/Social/Institutional	810,889,208	0.75	460	0.17
Subtotal Non-Residential	$29,838,103,228	27.66%	16,746	6.30%
Residential:				
Single Family Residence	$65,930,851,131	61.12%	206,228	77.55%
Condominium/Townhouse	3,221,636,422	2.99	12,541	4.72
Mobile Homes and Lots	737,013,732	0.68	9,865	3.71
2-4 Residential Units	1,022,244,815	0.95	3,573	1.34
5+ Residential Units/Apartments	5,422,673,871	5.03	2,201	0.83
Timeshare Parcels	1,006,139	0.00	1,575	0.59
Vacant Residential	1,363,030,900	1.26	8,194	3.08
Subtotal Residential	$77,698,457,010	72.03%	244,177	91.83%
Other Vacant	$335,584,090	0.31%	4,990	1.88%
Total	$107,872,144,328	100.00%	265,913	100.00%

[1] Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2019-20 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2019-20
Riverside Community College District

	2019-20 Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	206,228	$65,930,851,131	$319,699	$292,984

2019-20 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	2,564	1.243%	1.243%	$97,073,149	0.147%	0.147%
50,000 - 99,999	8,847	4.290	5.533	675,007,444	1.024	1.171
100,000 - 149,999	17,485	8.478	14.012	2,234,603,925	3.389	4.560
150,000 - 199,999	25,792	12.507	26.518	4,526,356,349	6.865	12.426
200,000 - 249,999	26,053	12.633	39.151	5,860,892,634	8.889	20.315
250,000 - 299,999	25,677	12.451	51.602	7,051,978,735	10.696	31.011
300,000 - 349,999	22,850	11.080	62.682	7,404,482,590	11.231	42.242
350,000 - 399,999	19,601	9.505	72.187	7,335,381,267	11.126	53.368
400,000 - 449,999	15,994	7.755	79.942	6,774,746,920	10.276	63.643
450,000 - 499,999	12,489	6.056	85.998	5,919,328,765	8.978	72.621
500,000 - 549,999	9,506	4.609	90.607	4,980,165,250	7.554	80.175
550,000 - 599,999	7,240	3.511	94.118	4,148,863,777	6.293	86.468
600,000 - 649,999	4,755	2.306	96.424	2,961,492,248	4.492	90.960
650,000 - 699,999	2,803	1.359	97.783	1,883,950,153	2.857	93.817
700,000 - 749,999	1,385	0.672	98.455	1,000,906,125	1.518	95.335
750,000 - 799,999	859	0.417	98.871	663,916,802	1.007	96.342
800,000 - 849,999	584	0.283	99.154	481,574,437	0.730	97.072
850,000 - 899,999	405	0.196	99.351	353,537,859	0.536	97.609
900,000 - 949,999	291	0.141	99.492	268,674,662	0.408	98.016
950,000 - 999,999	207	0.100	99.592	201,673,050	0.306	98.322
1,000,000 and greater	841	0.408	100.000	1,106,244,990	1.678	100.000
Total	206,228	100.000%		$65,930,851,131	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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Tax Levies, Collections and Delinquencies

The following table shows secured property tax levies within the District, and amounts delinquent, as of June 30, for fiscal years 2008-09 through 2018-19.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2008-09 through 2018-19
Riverside Community College District

	Secured Tax Charge[1]	Amount Delinquent (as of June 30)	Percent Delinquent (as of June 30)
2008-09	$10,147,196.95	$681,826.55	6.72%
2009-10	8,880,302.97	356,348.11	4.01
2010-11	10,425,501.54	275,122.05	2.64
2011-12	11,842,215.59	221,473.41	1.87
2012-13	11,968,419.36	159,660.04	1.33
2013-14	12,937,391.89	148,094.31	1.14
2014-15	14,167,024.88	144,446.83	1.02
2016-17	14,435,162.03	128,284.90	0.89
2017-18	14,569,645.36	133,842.74	0.92
2018-19	15,180,285.88	118,152.88	0.78

(1) Bond debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

With respect to collection of property taxes, the County has adopted the Teeter Plan, which is an alternate method of tax apportionment authorized in Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code of the State of California (comprising Sections 4701 through 4717, inclusive) (the "Teeter Law") for distribution of certain property tax and assessment levies on the secured roll. Pursuant to the Teeter Law, the County adopted the Teeter Plan. The Teeter Plan provides for a tax distribution procedure in which secured roll taxes and assessments are distributed to participating County taxing agencies on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all taxing agencies is avoided. In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total prior years delinquent secured property taxes and assessments (not including penalties and interest) and 100% of the current year's delinquent secured property taxes and assessments outstanding.

Pursuant to the Teeter Law, the County is required to establish a tax losses reserve fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (i.e., if the sale price of the property is less than the amount owed). The appropriate amount in the fund is determined by one of two methods: (1) an amount not less than 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for entities participating in the Teeter Plan, or (2) an amount not less than 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for entities participating in the Teeter Plan. Any amount in excess of the 1% or 25% level determined pursuant to either method of calculation may be credited to the County's general fund. The County is currently governed by the first alternative, and this amount has consistently been sufficient to provide for any tax losses.

Once adopted by the County, the Teeter Plan remains in effect unless the County orders its discontinuance or prior to the commencement of any subsequent fiscal years the County receives a petition for its discontinuance adopted by resolution of two-thirds of the participating revenue districts in the County. Further, the County may by resolution adopted not later than July 15 of any subsequent fiscal year after a public hearing, discontinue the Teeter Plan as to any levying or assessment levying agency if the rate of secured tax delinquency in that agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured rolls for the agency.

The *ad valorem* property tax to be levied by the County to pay the principal of and interest on the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

Tax Rates

Representative tax rate areas (a "TRA") located within the District are Tax Rate Area 04-000. The table below demonstrates the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities during the five-year period from 2014-15 through 2018-19.

TYPICAL TAX RATES
Fiscal Years 2014-15 through 2018-19
Riverside Community College District

TRA 9-002 – 2019-20 Assessed Valuation: $6,940,949,237

	2014-15	2015-16	2016-17	2017-18	2018-19
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
City of Riverside	.00626	.00572	.00673	.00626	.00592
Riverside Community College District	.01791	.01702	.01768	.01791	.09451
Riverside Unified School District	.05307	.05307	.05307	.05307	.01478
Metropolitan Water District	.00350	.00350	.00350	.00350	.00350
Total	1.08074%	1.07931%	1.08098%	1.08074%	1.11871%

TRA 4-000 – 2019-20 Assessed Valuation: $3,988,344,965

	2014-15	2015-16	2016-17	2017-18	2018-19
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Corona-Norco Unified School District	.06473	.06543	.06844	.06473	.09034
Riverside Community College District	.01791	.01702	.01768	.01791	.01478
Metropolitan Water District	.00350	.00350	.00350	.00350	.00350
Total	1.08614%	1.08595%	1.08962%	1.08614%	1. 10862%

TRA 27-002 – 2019-20 Assessed Valuation: $4,465,669,878

	2014-15	2015-16	2016-17	2017-18	2018-19
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Corona-Norco Unified School District	.06473	.06543	.06844	.06473	.08313
Riverside Community College District	.01791	.01702	.01768	.01791	.01616
Metropolitan Water District	.00350	.00350	.00350	.00350	.00350
Total	1.08614%	1.08595%	1.08962%	1.08614%	1.10279%

Source: California Municipal Statistics, Inc.

Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses is such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2019-20 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representations as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2019-20
Riverside Community College District

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total [1]
1.	Duke Realty LP	Industrial	$485,609,473	0.45%
2.	Prologis	Industrial	430,986,729	0.40
3.	First Industrial	Industrial	300,798,460	0.28
4.	SCG Atlas Ashton Co.	Apartments	284,200,000	0.26
5.	Ross Dress for Less Inc.	Industrial	269,050,993	0.25
6.	Riverside Healthcare System	Medical Buildings	256,652,193	0.24
7.	Tarpon Prop Ownership 2	Industrial	246,792,687	0.23
8.	Costco Wholesale Corp.	Industrial	238,650,914	0.22
9.	Tyler Mall LP	Shopping Center	222,550,619	0.21
10.	Kaiser Foundation Health Plan	Medical Buildings	202,491,223	0.19
11.	Castle & Cooke Corona Crossings	Shopping Center	187,605,322	0.17
12.	Teachers Insurance & Annuity Association of America	Industrial	185,206,154	0.17
13.	Western A West CA	Industrial	167,172,807	0.15
14.	CPT Riverside Plaza	Shopping Center	162,354,015	0.15
15.	BPP Pacific Industrial CA REIT Owner 2	Industrial	156,766,917	0.15
16.	BT OH	Industrial	153,502,350	0.14
17.	AMB Institutional Alliance Fund III	Industrial	148,958,500	0.14
18.	HF Logistics SKX T1	Industrial	141,009,687	0.13
19.	Homecoming at Eastvale	Apartments	140,033,461	0.13
20.	Fairfield Waterstone	Apartments	139,230,000	0.13
			$4,519,622,504	4.19%

(1) 2019-20 local secured assessed valuation: $107,872,144,328.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., effective as of September 1, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Riverside Community College District

2019-20 Assessed Valuation: $112,630,867,960

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**[1]	**Debt 9/1/19**
Metropolitan Water District	3.622%	$1,740,371
Eastern Municipal Water District Improvement Districts	79.435-100.000	4,191,286
Riverside County Flood Control and Water Conservation District Zone No. 4	43.608	5,464,082
Riverside Community College District	**100.000**	**246,176,015**[2]
Alvord Unified School District	100.000	200,109,558
Corona-Norco Unified School District	100.000	410,319,616
Jurupa Unified School District	100.000	159,112,972
Moreno Valley Unified School District	100.000	152,378,521
Riverside Unified School District	100.000	189,385,000
Val Verde Unified School District	100.000	126,804,668
City of Riverside	100.000	7,795,000
Community Facilities Districts	Various	1,152,195,451
1915 Act Bonds	100.000	22,405,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,678,077,540
OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	37.748%	$302,803,589
Riverside County Pension Obligation Bonds	37.748	92,048,498
Corona-Norco Unified School District General Fund Obligations	100.000	29,469,785
Jurupa Unified School District General Fund Obligations	100.000	57,745,768
Val Verde Unified School District Certificates of Participation	100.000	56,515,000
Other Unified School District Certificates of Participation	100.000	28,602,652
City of Corona General Fund Obligations	100.000	36,171,865
City of Moreno Valley Certificates of Participation	99.855	80,248,471
City of Riverside General Fund and Pension Obligation Bonds	100.000	283,404,526
Western Municipal Water District General Fund Obligations	90.356	8,150,979
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$975,161,133
Less: Riverside County supported obligations		655,721
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$974,505,412
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$778,586,491
GROSS COMBINED TOTAL DEBT		$4,431,825,164[3]
NET COMBINED TOTAL DEBT		$4,431,169,443

Ratios to 2019-20 Assessed Valuation:
Direct Debt ($246,176,015)..0.22%
Total Overlapping Tax and Assessment Debt...................................2.38%
Gross Combined Total Debt 3.93%
Net Combined Total Debt...3.93%

Ratio to 2018-19 Redevelopment Incremental Valuation ($26,515,212,062):
Total Overlapping Tax Increment Debt 2.94%

(1) Ratios based on 2018-19 fiscal year.
(2) Excludes the Bonds but includes the Refunded Bonds.
(3) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy* ad valorem *property taxes for payment of the principal of and interest on the Bonds.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the adjusted base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Series 2019F Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the legislature of the State (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Split Roll Property Tax Ballot Measure. On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the "2020 Ballot Measure"). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, the 2020 Ballot Measure would amend Article XIIIA such that the "full cash value" of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the 2020 Ballot Measure would not affect the "full cash value" of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing the 2020 Ballot Measure, approximately 40% of the remaining additional tax revenues generated as a result of the 2020 Ballot Measure would be deposited into a fund created pursuant to the 2020 Ballot Measure called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State's constitutional minimum funding requirement. The District cannot predict whether the 2020 Ballot Measure will appear on the Statewide ballot at the November 2020 election or, if it does, whether the 2020 Ballot Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of the 2020 Ballot Measure will have on District revenues or the assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIIIA.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor, (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120 percent of the Original Cash Value, then the Replacement Base Year Value is calculate by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community supported district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to school districts and community college districts (collectively "K-14 school districts") to mean the percentage change in State per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for bonded debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act were modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such districts' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. A complex adjustment was made to the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to K-14 school districts (also referred to as a "maintenance factor") which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as "Proposition 39") to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or a high school district), or $25 (for a community college district), per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. The State may shift from schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was projected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 6, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public

Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Jarvis v. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the State Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the State Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school facilities ($500 million) and technical education facilities ($500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, school districts that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State Legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation or guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of the information under this heading that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof.*

Major Revenues

General. California community college districts (other than "community supported" Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, EPA funds, and State aid comprise a district's revenue limit. State funding is generally subject to the appropriation of funds in the State's annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

"Basic Aid" community college districts (also referred to "community supported" districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not currently a Basic Aid district.

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 ("SB 361"). SB 361 provided for a basic allocation (a "Basic Allocation") based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation ("CDCP") non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than $4,367 per credit FTES; (b) at a uniform rate of $2,626 per non-credit FTES; and (c) $3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a "COLA"), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the "funded" FTES, for which a community college district would receive a revenue allocation. A district's enrollment cap was based on the previous fiscal year's reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered "unfunded" FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 ("AB 1809"), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, implemented a new funding mechanism for community college districts referred to as the "Student Centered Funding Formula," (the "SCFF"). The SCFF includes three components: (1) a base allocation (the "Base Allocation") driven primarily by enrollment, (2) a supplemental allocation (the "Supplemental Allocation") based on the number of certain types of low-income students, and (3) a student success allocation (the "Student Success Allocation") calculated using various performance-based metrics.

The SCFF includes several hold-harmless provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2020-21, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2021-22 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

<u>Base Allocation.</u> The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see "—Enrollment Based Funding"), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college districts in fiscal year 2018-19 and in fiscal year 2019-20. Future years' allocations are yet to be determined.

The SCFF provides minimum funding levels for credit FTES for the first fiscal year at $3,727 for fiscal year 2018-19. For fiscal year 2019-20 the State's 2019-20 Budget recalculates funding rates in the base, supplemental and student success allocations so that 70% of SCFF funds would be allocated to the base allocation. Beginning in 2020-21 those funding rates would be adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See "—Enrollment Based Funding" herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

The table below shows a breakdown of the District's historical resident FTES figures for the last nine fiscal years, and a projection for the current fiscal year.

RESIDENT FULL TIME EQUIVALENT STUDENTS
Fiscal Years 2010-11 through 2019-20
Riverside Community College District

Fiscal Year	Funded FTES	Unfunded FTES	Total FTES
2010-11	26,901	2,248	29,149
2011-12	24,845	1,013	25,858
2012-13	25,119	--	25,119
2013-14	25,812	588	26,400
2014-15	27,040	620	27,660
2015-16	28,682	--	28,682
2016-17	29,652	--	29,652
2017-18	30,527	8	30,535
2018-19	29,238	712	29,950
2019-20(1)	31,129	853	31,982

(1) Budgeted.
Source: Riverside Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that qualify for Federal Pell Grants, California College Promise Grants or student fee waivers under Education Code 76300. The SCFF provides $919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the provision of COLAs and other adjustments to this amount will be subject to appropriation therefor in the annual State budget. Headcounts are not unduplicated, such that districts will receive twice as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts. Each metric is assigned a point value, with some metrics weighted more than others. A single student outcome with more points will generate more funding. Beginning in fiscal year 2019-20 the student success allocation will count only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation will also calculate based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding.

For fiscal year 2018-19, the SCFF provides a rate for all students of $440 per point, and additional $111 per point for Pell Grant, AB 540 and California College Promise Grant students. For fiscal year 2019-20 the State's 2019-20 Budget recalculates funding rates for the student success allocation so that in 2019-20, 10% of the SCFF funds would be allocated for the student success allocation. Beginning in 2020-21 those rates would be adjusted by COLA.

Budget Procedures

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each

September, every State agency, including the Chancellor, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "RIVERSIDE COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgets.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test ("Test 3") to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIIIB).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 education aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to school districts and community college districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a "maintenance factor") equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

Additional Sources of Funding

Riverside Community College District Foundation. The Riverside Community College District Foundation (the "Foundation") is a not-for-profit public benefit corporation organized under Section 501(c)(3) of the Code. The Foundation provides grants to support the programs and projects of the District and scholarships to students of the District. Under Governmental Accounting Standards Board ("GASB") rules, the Foundation is a component unit of the District for financial reporting purposes. Contributions received by the District from the Foundation are deposited into the District's general fund. The amount of contributions received by the District from the Foundation from fiscal years 2015-16 through 2018-19, and a projected amount for fiscal year 2019-20, are shown in the table on the following page. As of June 30, 2019, the Foundation had total assets valued at approximately $14,271,563.

FOUNDATION CONTRIBUTIONS
Fiscal Years 2015-16 through 2019-20
Riverside Community College District

Fiscal Year	Foundation Contributions
2015-16	$603,950
2016-17	681,220
2017-18	1,137,224
2018-19	424,276
2019-20[1]	600,000

[1] Budgeted.
Source: Riverside Community College District.

State Assistance

State community college districts' principal funding formulas and revenue sources are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter takes any responsibility as to the accuracy or completeness thereof and has not independently verified such information.

2019-20 Budget. On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from the State Department of Finance's summary of the 2019-20 Budget.

For fiscal year 2018-19, the 2019-20 Budget projects total general fund revenues and transfers of $138 billion and total expenditures of $142.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $20.7 billion, including $5.4 billion in the traditional general fund reserve, $14.4 billion in the BSA and $900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projects total general fund revenues and transfers of $143.8 billion and authorizes expenditures of $147.8 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of $18.8 billion, including $1.4 billion in the traditional general fund reserve, $16.5 billion in the BSA and $900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorizes a deposit to the PSSSA of $376.5 million in order to comply with Proposition 2.

For fiscal year 2019-20, the Budget sets the minimum funding guarantee at $81.1 billion. Other significant features with respect to community college funding include the following:

- *Student Centered Funding Formula* – An ongoing increase of $254.7 million in Proposition 98 funding to support the SCFF, including (i) an increase of $230 million to support a 3.26% COLA for total apportionment growth, and (ii) an increase of $24.7 million to fund 0.55% of enrollment growth.

- *Settle-Up Payment* - An increase of $686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.

- *Pension Costs* – A $3.15 billion payment from non-Proposition 98 funds to CalSTRS and CalPERS, to reduce long-term liabilities for K-14 school districts. Of this amount, $850 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. With these payments, CalSTRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The CalPERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year 2019-20, and the projected CalPERS employer contribution is expected to be reduced from 23.6% to 22.9 % in fiscal year 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability. See also "RIVERSIDE COMMUNITY COLLEGE DISTRICT - Retirement Programs" herein.

- *Free College* - $42.6 million in ongoing Proposition 98 funding to support a second academic year of the California College Promise to waive enrollment fees for fist-time, full-time students.

- *Deferred Maintenance* – A one-time increase of $13.5 million in Proposition 98 funding for deferred maintenance, instructional equipment and specified water conservation projects.

- *Student Support* – An ongoing increase of $9 million in Proposition 98 funding to provide support to community college students who are homeless or are experiencing housing insecurity. The 2019-20 Budget also provides a one-time increase of $3.9 million in Proposition 98 funding to address student basic needs, including housing and food insecurity.

- *Veterans Resources* – An ongoing increase of $5 million in Proposition 98 funding for the establishment or enhancement of veterans resource centers at community colleges. In addition, the 2019-20 Budget also provides an increase of $2.25 million in Proposition 98 settle-up funds to expand veterans resource centers at specified colleges.

- *Workforce Development* – A one-time increase of $4.75 million in one-time, Proposition 98 settle-up funds to support the improvement of workforce development programs at specified community colleges.

- *Proposition 51* – The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative approved at the November 8, 2016 election that authorizes the sale and issuance of $9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities. The 2019-20 Budget allocates $535.3 million of such bond funds for critical fire and life safety projects at campuses statewide.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

Founded in 1916, the District encompasses approximately 440 square miles in the Counties. The assessed valuation of the territory of the District located in the County represents more than 99.9% of the District's assessed valuation. The District provides collegiate level instruction in grades 13 and 14 and contains the Riverside Unified, Alvord Unified, Corona-Norco Unified, Jurupa Unified, Moreno Valley Unified and Val Verde School Districts. The District operates Riverside City College, Norco College, and Moreno Valley College. Each of the District's three colleges is fully accredited by the ACCJC. For fiscal year 2019-20, the District has an assessed valuation of $112,630,867,960 and the District's FTES count is budgeted to be 31,982 students.

Administration

The District is governed by the five-member Board, each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current Board members, together with their office and the date their term expires, are listed below:

BOARD OF TRUSTEES
Riverside Community College District

Name	Office	Term Expires
Tracey Vackar	President	December 2022
Mary Figueroa	Vice President	December 2020
Bill Hedrick	Secretary	December 2020
Jose Alcala	Trustee	December 2022
Virginia Blumenthal	Trustee	December 2022

The Chancellor of the District is appointed by the Board and reports to the Board. The Chancellor is responsible for management of the District's day-to-day operations and supervises the work of other key administrators.

Brief biographies of key administrative personnel follow:

Wolde-Ab Isaac, Ph.D., Chancellor. Dr. Isaac became the Chancellor of the District on January 1, 2018. Prior to his appointment, Dr. Isaac had served the District as President, Vice President of Academic Affairs and Dean of Health Science at Riverside City College. Prior to joining the District, Dr. Isaac served as President at the University of Asmara in Eritrea. Dr. Isaac has more than 36 years of experience as an educator, faculty member and administrator. Dr. Isaac holds a doctoral degree and a master's degree in Medicinal Chemistry from the University of Michigan, and he holds a bachelor's degree in Chemistry from Haile Selassie University in Ethiopia.

Aaron S. Brown, Vice Chancellor, Business and Financial Services. Mr. Brown was appointed Vice Chancellor, Business and Financial Services on January 22, 2013. Prior to his appointment, Mr. Brown had served as the District's Associate Vice Chancellor of Finance since November 2002 with an interim assignment as Vice Chancellor of Administration and Finance during the 2007-2008 fiscal year. Mr. Brown also served as the District's Director of Accounting Services from March 1999 to November 2002. Mr. Brown has been a California Certified Public Accountant since January 1988. Prior to beginning his career in higher education in March 1999, Mr. Brown worked in the public accounting profession performing audits of community colleges, K-12 educational institutions and not-for-profit organizations. Mr. Brown holds a bachelor's degree in Business with an emphasis in Accounting from California State University, Fullerton.

Labor Relations

The District currently employs 485 full-time certificated professionals, 647 full-time classified employees, and 155 managerial employees. In addition, the District employs 1,129 part-time faculty and 749 part-time staff. These employees, except supervisors, management and some part-time employees, are represented by two bargaining units as noted below.

BARGAINING UNITS
Riverside Community College District

Labor Organization	Number of Employees In Organization	Contract Expiration Date
California School Employees Association	527	June 30, 2021
California Teachers Association	422	June 30, 2021

Source: Riverside Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2019, the contribution rate for employees hired after the Implementation Date (defined below) will be 10.205%.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS – State Assistance – 2019-20 Budget" herein.

The District's contributions to STRS were $7,559,706 in fiscal year 2015-16, $9,016,918 in fiscal year 2016-17, $11,175,507 for fiscal year 2017-18, and $13,682,448 for fiscal year 2018-19. The District projects $16,645,294 for its contribution to STRS for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19 and 7.828% for fiscal year 2019-20. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 18.062% of eligible salary expenditures for fiscal year 2018-19, and will be 20.733% of eligible salary expenditures in fiscal year 2019-20. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2018-19 and will be 7% in fiscal year 2019-20, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2018-19 and will be 7% in fiscal year 2019-20. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated $144 million for fiscal year 2019-20 and $100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated $660 million to be applied toward certain unfunded liabilities for K-14 school district employers. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS – State Assistance – 2019-20 Budget" herein.

The District's contributions to PERS were $4,655,732 in fiscal year 2015-16, $5,583,159 in fiscal year 2016-17, $7,120,383 for fiscal year 2017-18 and $9,055,947 for fiscal year 2018-19. The District projects $12,329,176 for its contribution to PERS for fiscal year 2019-20.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) [1]
Fiscal Years 2010-11 through 2017-18

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[2]	Unfunded Liability (MVA)[2]	Value of Trust Assets (AVA)[3]	Unfunded Liability (AVA)[3]
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)[3]	Unfunded Liability (AVA)[3]
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--[4]	--[4]
2014-15	73,325	56,814	16,511	--[4]	--[4]
2015-16	77,544	55,785	21,759	--[4]	--[4]
2016-17	84,416	60,865	23,551	--[4]	--[4]
2017-18[5]	92,071	64,846	27,225	--[4]	--[4]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) On April 16, 2019, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2019-20 and released certain actuarial information to be incorporated into the June 30, 2018 actuarial valuation to be released in summer 2019.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the "2018 STRS Actuarial Valuation") reports that the unfunded actuarial obligation decreased by $109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 16, 2019, the PERS Board established the employer contribution rates for 2019-20 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2018, ahead of its summer of 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2020-21 is projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2018, the District's proportionate shares of the STRS and PERS net pension liabilities were $120,279,953 and $75,188,020, respectively. For more information, see "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

Supplemental Early Retirement Plan (SERP). In June 2019, the Board approved a supplemental early retirement program for all eligible employees (age 55 years or older with the equivalent of 10 years or more of permanent service). There are two optional, mutually exclusive retirement dates, December 2019 and June 2020. The retirement incentive consists of mutually exclusive options of either 80% of final annual salary or two years of additional service credit through STRS or PERS, as applicable. To participate, employees must submit resignations in October 2019 or May 2020, for the respective retirement dates. The District estimates that potentially 51 employees out of 247 eligible employees will accept the offer (20 in December 2019 and 31 in June 2020), including 25 faculty, 3 academic managers, 20 classified staff, and 3 classified managers. The District intends to pay the costs for both retirement dates in lump sums. For fiscal year 2019-20, the District has established a total of \$4.48 million to pay the cost of the retirement incentive, part of which will be payable in fiscal year 2019-20 and the remainder will be payable in fiscal year 2020-21, due to the two retirement dates.

Post-Employment Health Care Benefits

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 insurance benefits to eligible retirees and one dependent (the "Benefits"). As of June 30, 2019, membership of the Plan consisted of 217 retirees and beneficiaries currently receiving Benefits and 1,349 active Plan members eligible for, but not yet receiving, Benefits.

Funding Policy. The contribution requirements of the Plan members and the District are established and amended by the District and the District's bargaining units on an annual basis. The District's contribution is currently based on a projected pay-as-you-go basis to cover the cost of Benefits for current retirees. For fiscal year 2017-18, the District contributed \$6,209,619 to the Plan, of which \$3,585,234 was used for premiums and \$2,624,385 was used to fund the OPEB Trust (defined below). For fiscal year 2018-19, the District contributed \$3,566,013 to the Plan, of which \$2,313,456 was used for premiums and \$2,356,896 was used to fund the OPEB Trust (defined below). The District projects a contribution of \$4,699,071 to the Plan in fiscal year 2019-20, of which \$2,064,276 will be used for premiums and \$3,636,297 will be used to fund the OPEB Trust.

On April 21, 2015, the Board approved a plan to fund its unfunded actuarial accrued liability (the "UAAL") with respect to the Benefits. The Board-approved plan, which took effect on July 1, 2015, has two components. First, the Board established an irrevocable, GASB-qualifying trust to fund its UAAL (the "OPEB Trust"). Second, the District developed a charge rate to apply to every dollar of payroll to cover the projected pay-as-you-go cost of the Benefits, plus a minimum of \$250,000 annually to begin providing for future Benefits. Such amounts have been deposited into the OPEB Trust. As of June 30, 2019, there is a current balance of \$1,721,664 on deposit in the OPEB Trust.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, "GASB 74" and "GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. For fiscal year 2017-18, the District reported a Total OPEB Liability of $44,623,373, a Fiduciary Net Position of $1,169,405 and a Net OPEB Liability of $43,453,968. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10" attached hereto.

Actuarial Valuation. The District's most recent actuarial study, dated as of May 29, 2018 calculated the District's accrued liability in accordance with GASB No. 74 and GASB No. 75. The study concluded that, as of a June 30, 2018 measurement date, the District's Total OPEB Liability was $44,623,373, its Fiduciary Net Position was $1,147,433 and its Net OPEB Liability was $43,475,940.

Medicare Premium Payment Program. The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRS Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the STRS Defined Benefit Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study of the liability of the MPP Program has been prepared pursuant to GASB statements No. 74 and No. 75. The District's proportionate share of the net MPP Program liability as of June 30, 2018 was $990,620. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10" attached hereto.

Risk Management

Insurance Coverage. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The District obtains coverage for these risks both by purchasing insurance coverage and through coverage in a risk retention group. The District's coverage for liability and tort risks extends up to $55,000,000, and is subject to a $100,000 self-insured retention. The District also carries replacement coverage on its buildings, furniture, and equipment with limits of $600,000,000 (total pool value), with a $50,000 self-insurance retention. Employee health benefits are covered by the employees enrolling in one of two health maintenance organizations or in the District's self-insurance health plan. The District's self-insured limit for the self-insured plan is $100,000, and the District purchases insurance coverage for the excess claims. The District purchases dental benefits from a joint powers authority (a "JPA").

Property Liability. The District contracted with the California Schools Risk Management ("CSRM") JPA for property and liability insurance coverage in fiscal year 2018-19. Settled claims have not exceeded this commercial coverage in any of the past three years and total property loss per occurrence has decreased from $800,000,000 to $600,000,000.

Workers Compensation. The District is a stand-alone self-insured purchasing excess insurance through the CRSM JPA, with a $500,000 self-insured retention to statutory coverage.

Employee Medical Benefits. The District contracts with Kaiser Permanente and Health Net, and also offers the RCCD Self-Insured Health Plan to provide employee medical benefits. The District provides health and welfare benefits to all full-time and part-time employees (20 hours or more) and their dependents.

Participation in Public Entity Risk Pools and JPAs

The District contracts with the CSRM JPA, the CSRM JPA, Schools Excess Liability Fund ("SELF") JPA, Riverside Community College – County Superintendent Self-Insurance Program for Employees ("RCCCSSIPE"), and the Riverside Employers/Employees Plan ("REEP"). During fiscal year 2019-20, the District projects payments of $1,072,311, $161,320, $1,562,746 and $21,600 to CSRM, SELF, RCCCSSIPE and REEP, respectively.

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 the JPAs are not component units of the District for financial reporting purposes. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Notes 11 and 13" attached hereto.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. GASB has released Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective for fiscal periods beginning after June 15, 2001 (Phase I) for any governmental agency with annual revenues in excess of $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred. See also "—Comparative Financial Statements" herein.

General Fund Budgeting

The following table reflects the District's general fund budgets for fiscal years 2015-16 through 2019-20, and ending results for fiscal years 2015-16 through 2018-19.

GENERAL FUND BUDGETING
Riverside Community College District
Fiscal Years 2015-16 through 2019-20

	Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20
	Budgeted[(1)]	Ending[(1)]	Budgeted[(1)]	Ending[(1)]	Budgeted[(1)]	Ending[(1)]	Budgeted[(1)]	Ending[(3)]	Projected[(3)]
REVENUES:									
Federal	$14,736,813	$10,068,695	$13,445,761	$10,135,988	$20,632,904	$11,163,238	$21,655,881	$13,519,587	$20,525,304
State	161,173,735	160,378,889	173,600,482	153,181,500	193,544,259	167,281,821	225,082,242	195,029,428	249,038,855
Local	58,004,788	60,929,412	63,052,894	68,294,336	74,670,106	73,767,423	79,547,664	79,111,563	84,490,471
TOTAL REVENUES	233,915,336	231,376,996	250,099,137	231,611,824	288,847,269	252,212,482	326,285,787	287,660,578	354,054,630
EXPENDITURES:									
Academic Salaries	77,914,064	78,469,784	82,654,285	82,837,020	89,048,374	90,991,338	95,587,195	99,547,817	104,706,665
Classified Salaries	45,220,942	44,670,548	49,358,844	46,206,350	53,891,149	51,044,619	58,580,896	55,779,535	63,716,508
Employee Benefits	43,722,208	45,410,523	55,078,054	51,767,997	57,455,862	56,335,774	64,516,965	66,564,008	75,374,578
Supplies and Materials	8,409,212	3,911,798	10,789,019	4,126,306	14,440,625	4,864,367	17,574,865	5,313,153	15,760,786
Other Operating Expenses and Services	53,989,770	28,410,236	66,421,213	28,423,063	90,482,048	35,030,386	88,761,097	37,320,675	105,993,152
Capital Outlay	12,578,339	11,052,925	9,744,238	6,091,087	14,451,187	7,415,085	31,131,669	10,563,471	29,110,676
TOTAL EXPENDITURES	241,834,535	211,925,814	274,045,653	219,451,823	319,769,245	245,681,569	356,152,687	275,088,659	394,662,365
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,919,199)	19,451,182	(23,946,516)	12,160,001	(30,921,976)	6,530,913	(29,866,900)	12,571,919	(40,607,735)
OTHER FINANCING SOURCES (USES)	2,123,637	8,929	9,100	14,973	12,500	3,658	7,000	5,260	2,176
OTHER OUTGO	4,945,180	2,848,639	4,252,493	4,136,637	2,680,557	2,971,027	8,743,928	3,743,572	6,717,267
NET INCREASE (DECREASE) IN FUND BALANCES	(10,740,742)	16,611,472	(28,189,909)	8,038,337	(33,590,033)	3,563,544	(38,603,828)	8,833,607	(47,322,826)
BEGINNING FUND BALANCE	25,888,891	25,888,891	42,500,363	42,500,367[(2)]	50,538,704	50,538,704	54,102,248	54,102,218	62,935,825
ENDING FUND BALANCE	$15,148,149	$42,500,363	$14,310,454	$50,538,704	$16,948,671	$54,102,248	$15,498,420	$62,935,825	$15,612,999

(1) From the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. For audited results summaries of expenses, revenues and changes in net assets for the District's primary government funds for fiscal years 2014-15 through 2017-18, see "—Comparative Financial Statements" herein.
(2) Reflects an adjusted beginning fund balance to include a prior year adjustment of $4.
(3) Estimated.
Source: Riverside Community College District.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and changes in net assets in the District's primary government funds from fiscal years 2013-14 through 2017-18.

SUMMARY OF AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
FISCAL YEARS 2013-14 THROUGH 2017-18 – PRIMARY GOVERNMENT
Riverside Community College District

OPERATING REVENUES	**Fiscal Year 2013-14**	**Fiscal Year 2014-15**	**Fiscal Year 2015-16**	**Fiscal Year 2016-17**	**Fiscal Year 2017-18**
Student tuition and fees	$37,992,745	$38,653,525	$39,554,973	$41,974,356	$43,525,653
Less: Scholarship discounts and allowances	(21,456,127)	(22,764,165)	(22,935,819)	(22,285,090)	(22,879,802)
Net tuition and fees	16,536,618	15,889,360	16,619,154	19,689,266	20,645,851
Total grants and contracts, noncapital	--	--	--	--	67,573,811
Other Operating Revenues	23,090	13,999	(1,372)	30,635	10,212
TOTAL OPERATING REVENUES	16,559,708	15,903,359	16,617,782	19,719,901	88,229,874
OPERATING EXPENSES					
Salaries	108,269,614	114,605,153	125,856,057	132,198,832	145,222,476
Employee benefits	32,462,402	33,560,369	37,988,740	40,183,923	53,204,158
Supplies, materials and other operating expenses and services	30,019,823	30,399,420	43,077,297	44,086,881	51,738,750
Student financial aid	50,666,043	55,305,786	54,314,607	53,298,914	63,492,406
Equipment, maintenance, and repairs	3,399,899	5,731,637	6,290,685	4,564,862	4,948,389
Depreciation	15,834,281	16,395,908	16,623,899	16,960,528	17,803,097
TOTAL OPERATING EXPENSES	240,652,062	255,998,273	284,151,285	291,293,940	336,409,276
OPERATING INCOME/(LOSS)	(224,092,354)	(240,094,914)	(267,533,503)	(271,574,039)	(248,179,402)
NON-OPERATING REVENUE (EXPENSES)					
State apportionments, non-capital	93,567,956	96,089,271	107,436,493	111,781,459	114,799,282
Federal grants and contracts, noncapital	61,721,576	63,778,205	60,848,305	59,708,037	53,444,995
State financial aid grants, noncapital	13,710,929	24,389,732	35,108,567	36,749,089	7,933,622
Local property taxes, levied for general purposes	25,395,020	29,311,835	33,716,065	37,207,839	38,128,216
Taxes levied for other specific purposes	13,806,538	15,234,150	15,599,538	15,920,291	16,513,906
State taxes and other revenues	8,580,722	7,875,903	21,345,873	9,627,908	6,960,968
Investment income	314,781	270,227	466,839	745,933	1,568,056
Interest expense on capital related debt	(9,590,099)	(11,047,178)	(6,974,747)	(14,619,076)	(14,638,528)
Investment income on capital asset – related debt	20,585	23,823	33,311	61,604	114,788
Transfer to fiduciary funds	--	--	--	--	(369,273)
Loss on disposal of capital assets	(1,539)				
Other nonoperating revenue	13,052,773	15,318,022	15,311,613	16,077,997	9,889,104
TOTAL NON-OPERATING REVENUES (EXPENSES)	220,579,242	241,243,990	282,891,857	273,261,081	234,345,136
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES	(3,513,112)	1,149,076	15,358,354	1,687,042	(13,834,266)
State revenues, capital	3,875,979	1,845,049	2,167,968	1,356,211	3,213,350
Local revenues (losses), capital	--	424,100	(92,217)	213,750	(210,934)
Loss on disposal of capital assets	--	--	--	--	--
TOTAL INCOME BEFORE OTHER REVENUES, EXPENSES	3,875,979	2,269,149	2,075,751	1,569,961	3,002,416
CHANGES IN NET POSITION	362,867	3,418,225	17,434,105	3,257,003	(10,831,850)
NET ASSETS, BEGINNING OF YEAR	212,435,212	67,283,994[1]	70,702,219	88,136,324	58,291,555[2]
NET ASSETS, END OF YEAR	$212,798,079	$70,702,219	$88,136,324	$91,393,327	$47,459,705

(1) Reflects a net restatement to the District's beginning position of $145,514,085 as the result of the implementation of GASB Statement No. 68. See also "— Retirement Systems – GASB Statement Nos. 67 and 68" herein.

(2) Reflects a net restatement to the District's beginning position of $33,101,772 as the result of the implementation of GASB Statement No. 75. See also "—Post-Employment Health Care Benefits – GASB Statement Nos. 74 and 75" herein.

Source: Riverside Community College District.

District Debt Structure

Long-Term Debt. General long-term debt as of June 30, 2018 consisted of the following:

	Beginning Balance July 1, 2017	Additions	Deductions	Ending Balance June 30, 2018
Bonds Payable				
General Obligation Bonds, Series 2010D/D-1	$113,222,831	$744,652	$765,000	$113,202,483
Unamortized debt premium	1,342,895	--	58,176	1,284,719
General Obligation Bonds, Refunding Bonds 2014, Series A and B	67,375,000	--	4,085,000	63,290,000
Unamortized debt premium	3,758,479	--	372,742	3,385,737
General Obligation Bonds, Series 2015 E	45,605,795	2,142,402	1,265,000	46,483,197
Unamortized debt premium	164,557	--	7,452	157,105
Refunding Bonds 2015	42,885,000	--	100,000	42,758,000
Unamortized debt premium	5,063,406	--	335,695	4,727,711
Total Bonds Payable	279,417,963	2,887,054	6,989,065	275,315,952
Other Liabilities				
Compensated Absences	2,974,674	274,537	--	3,249,211
Load Banking	799,067	63,950	--	863,017
Aggregate net other postemployment benefits (OPEB) liability	43,868,844	738,654	162,910	44,444,588
Aggregate net pension liability	176,820,5454	18,647,419	--	195,467,973
Total Other Liabilities	224,463,139	19,724,650	162,910	244,024,789
Total Long-Term Obligations	$503,881,102	$22,611,614	$7,151,975	$519,340,741

Source: 2017-18 Audited Financial Statements of the District.

General Obligation Bonds. The following table summarizes the prior outstanding general obligation bond issuances by the District (not including the Bonds).

Issuance	Initial Principal Amount	Principal Outstanding[(1)]	Date of Delivery
Election of 2004, Series 2010D	$7,699,278.45	$6,021,871.25	November 10, 2010
Election of 2004, Series 2010D-1	102,300,000.00	102,300,000.00	November 10, 2010
2014 Refunding Bonds, Series 2014A	29,130,000.00	26,845,000.00	May 29, 2014
2015 Refunding Bonds, Series 2014B	43,960,000.00	27,275,000.00	May 29, 2014
Election of 2004, Series 2015E	45,004,145.30	41,149,145.30	July 1, 2015
2015 Refunding Bonds	43,920,000.00	42,585,000.00	July 1, 2015

(1) As of August 1, 2019.

GENERAL OBLIGATION BONDED DEBT SERVICE[1]
Riverside Community College District

Year Ending (August 1)	2010D Bonds	2014A Refunding Bonds	2014B Refunding Bonds	2015E Bonds	2015 Refunding Bonds	The Series 2019F Bonds	The 2019 Refunding Bonds	Total Annual Debt Service
2020	$1,360,000.00	$1,896,250.00	$5,500,331.10	--	$2,153,975.00	$2,259,598.33	$4,653,858.61	$17,824,013.04
2021	1,560,000.00	1,922,250.00	5,774,465.50	--	2,151,975.00	2,488,800.00	3,634,850.00	17,532,340.50
2022	1,775,000.00	1,970,500.00	6,031,565.50	--	2,148,975.00	2,937,600.00	3,638,450.00	18,502,090.50
2023	1,975,000.00	2,009,750.00	6,320,704.50	--	2,145,975.00	1,521,600.00	3,636,450.00	17,609,479.50
2024	2,190,000.00	2,060,250.00	6,610,318.00	--	2,142,975.00	1,464,600.00	3,639,050.00	18,107,193.00
2025	3,205,000.00	8,213,250.00	--	--	2,139,975.00	1,414,400.00	3,636,050.00	18,608,675.00
2026	--	8,540,500.00	--	$2,505,000.00	2,136,975.00	2,430,800.00	3,637,650.00	19,250,925.00
2027	--	8,873,750.00	--	2,755,000.00	2,133,975.00	2,426,200.00	3,638,650.00	19,827,575.00
2028	--	--	--	2,670,000.00	11,090,975.00	3,099,800.00	3,639,050.00	20,499,825.00
2029	--	--	--	2,985,000.00	11,447,975.00	3,109,400.00	3,638,850.00	21,181,225.00
2030	--	--	--	3,230,000.00	11,889,475.00	3,150,400.00	3,638,050.00	21,907,925.00
2031	--	--	--	2,820,000.00	12,261,725.00	3,171,400.00	4,396,650.00	22,649,775.00
2032	--	--	--	8,820,000.00	398,475.00	3,208,000.00	10,989,250.00	23,415,725.00
2033	--	--	--	9,735,000.00	--	2,724,400.00	11,741,250.00	24,200,650.00
2034	--	--	--	10,190,000.00	--	2,947,000.00	11,915,650.00	25,052,650.00
2035	--	--	--	10,640,000.00	--	3,176,050.00	12,088,850.00	25,904,900.00
2036	--	--	--	11,115,000.00	--	3,446,100.00	12,245,050.00	26,806,150.00
2037	--	--	--	11,605,000.00	--	3,710,650.00	12,399,300.00	27,714,950.00
2038	--	--	--	12,115,000.00	--	4,014,550.00	12,539,450.00	28,669,000.00
2039	--	--	--	12,640,000.00	--	4,336,300.00	12,670,500.00	29,646,800.00
2040	--	--	--	--	--	--	12,782,300.00	12,782,300.00
Total	$12,065,000.00	$35,486,500.00	$30,237,384.60	$103,825,000.00	$64,243,425.00	$57,037,648.33	$154,799,208.61	$457,694,166.54

[1] Excludes debt service on the bonds expected to be refinanced with proceeds of the 2019 Refunding Bonds.

Source: 2017-18 Audited Financial Statements of the District.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (or original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES A BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed forms of opinions of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's pooled investment fund, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – RIVERSIDE COUNTY TREASURY POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed forms of the approving opinions of Bond Counsel attached hereto as APPENDIX A are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Enhanced Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Escrow Verification

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded Bonds

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (the District's fiscal year ends on June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of listed events will be filed in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of listed events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. Within the past five years, the District filed in a timely manner all annual reports and any required notices of certain events as required by its prior undertakings, pursuant to the Rule.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

There are certain lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims, if determined adverse to the District, would not materially affect the finances of the District.

Legal Opinions

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached hereto this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "Aa1" and "AA" by Moody's and S&P, respectively. The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich, New York, NY 10007 and S&P Global Ratings, 55 Water Street, 45th Floor, New York, NY 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The financial statements with supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 11, 2018 of Vavrinek, Trine, Day & Co., LLP (the "Auditor"), are included in this Official Statement as APPENDIX B attached hereto. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B attached hereto this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report

Underwriting

The Bonds are being purchased by Piper Jaffray & Co. (the "Underwriter"), pursuant to contracts for purchase and sale thereof by and between the Underwriter and the District (the "Purchase Contracts"). The Underwriter has agreed to purchase (i) all of the Series 2019F Bonds at a price of $43,702,113.65 (consisting of the principal amount of the Series 2019F Bonds of $39,995,000.00, plus original issue premium of $3,847,096.15, and less an Underwriter's discount of $139,982.50), and (ii) all of the 2019 Refunding Bonds at a price of $108,505,078.00, (consisting of the principal amount of the 2019 Refunding Bonds of $100,295,000.00, plus original issue premium of $8,561,110.50, and less the Underwriter's discount of $351,032.50).

The Purchase Contracts for the Bonds provide that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following paragraph for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District:

Piper Jaffray & Co. has entered into a distribution agreement with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the agreement, CS&Co. will purchase Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds. This Official Statement and the delivery thereof have been duly approved and authorized by the District.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: /s/ Aaron S. Brown
Aaron S. Brown
Vice Chancellor, Business and Financial Services

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APPENDIX A

FORM OF OPINIONS OF BOND COUNSEL

Upon issuance of the Series 2019F Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series 2019F Bonds in substantially the following form:

November 14, 2019

Board of Trustees
Riverside Community College District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $39,995,000 Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2019F (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the Riverside Community College District (the "District") voting at an election held on March 2, 2004, and a resolution adopted by the Board of Trustees of the District (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is

not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

Upon issuance and delivery of the 2019 Refunding Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the 2019 Refunding Bonds substantially in the following form:

November 14, 2019

Board of Trustees
Riverside Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $100,295,000 Riverside Community College District (Riverside and San Bernardino Counties, California) 2019 General Obligation Refunding Bonds (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the Riverside Community College District (the "District") on September 17, 2019 (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be

amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX B

2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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RIVERSIDE COMMUNITY COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE difference

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Riverside Community College District
Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Riverside Community College District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2017-2018 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. 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.

19340 Jesse Ln., Suite 260, Riverside, CA 92508 P 951.367.3000 F 951.367.3010 W vtdcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 2 and Note 15 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* 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 5 through 12, the Schedule of Changes in the District's Net OPEB Liability and Related Ratios on page 70, the Schedule of OPEB Investment Returns on page 71, the Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program on page 72, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 73, and the Schedule of District Contributions for Pensions on page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co, LLP

Riverside, California
November 21, 2018

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, 2018. 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, 2018. 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 government-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 basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2017-2018 fiscal year, total reported resident FTES were 30,535 as compared to 29,652 in the 2016-2017 fiscal year. The District has no unfunded credit FTES for fiscal year 2017-2018.

- Several scheduled maintenance projects at the District and its three colleges resulted in building and site improvements totaling $1,237,507 in the 2017-2018 fiscal year. The completed projects, listed below, are primarily funded through Physical Plant and Instructional Support, the District's voter approved General Obligation Bond (Measure C), and one-time budget savings allocations.

  Security Improvements, Phase II – District-wide
  Carpet/Tile Replacement, Humanities – Moreno Valley College
  Landscaping, Phase II – Moreno Valley College
  ATEC Building Tile Roof Replacement – Norco College
  Third Street Access and Egress Paving – Norco College
  Asphalt Repair – Riverside City College
  Hazmat/Asbestos Removal – Riverside City College
  Noble Building Demolition – Riverside City College

3801 Market Street
Riverside, CA 92501
(951) 222-8000
www.rccd.edu

- Employee salaries increased by 9.85 percent or $13.0 million from the 2016-2017 fiscal year and employee benefits increased by 32.40 percent or $13.0 million. The increase in salaries is primarily due to a contractual salary increase of 2.0 percent for all permanent employees; a contractual salary increase of 2.5 percent for part-time faculty; a COLA increase of 1.56 percent; scheduled salary step increases; employee reclassifications; and an increase in the number of positions. The increase in benefit costs is due to increases in health and welfare benefit costs; an increase of 1.85 percent in CalSTRS employer contributions; 1.64 percent CalPERS employer contributions; and fixed charge increases associated with the increased number of positions discussed above.

- During the 2017-2018 fiscal year, the District provided approximately $83.8 million in financial aid to students, representing an increase of 9.4 percent over the $76.6 million in fiscal year 2016-2017. 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)	$ 47,476,986
Federal Supplement Education Opportunity Grant (FSEOG)	1,108,524
Federal Direct Student Loans (Direct Loans)	3,785,564
Federal Work Study Program (FWS)	1,143,357
State of California Cal Grants (B & C)	5,584,064
State of California Full Time Student Success Grant	1,787,743
California Community College Promise Grant	22,879,802
Total Financial Aid Provided to Students	$ 83,766,040

THE DISTRICT AS A WHOLE

Net Position

Table 1

	2018	(as restated) 2017	Change
ASSETS			
Current Assets			
Cash and investments	$133,980,113	$124,319,728	$ 9,660,385
Accounts receivable (net)	17,692,325	12,075,155	5,617,170
Other current assets	157,003	194,466	(37,463)
Total Current Assets	151,829,441	136,589,349	15,240,092
Capital assets (net)	429,548,028	440,959,728	(11,411,700)
Total Assets	581,377,469	577,549,077	3,828,392
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	8,636,776	9,479,658	(842,882)
Deferred outflows of resources related to pensions	61,177,833	40,579,912	20,597,921
Total Deferred Outflows of Resources	69,814,609	50,059,570	19,755,039
Total Assets and Deferred Outflows of Resources	$651,192,078	$627,608,647	$ 23,583,431
Current Liabilities			
Accounts payable and other current liabilities	$ 67,152,941	$ 55,136,096	$ 12,016,845
Current portion of long-term obligations	7,073,716	7,673,413	(599,697)
Total Current Liabilities	74,226,657	62,809,509	11,417,148
Long-Term Obligations	512,267,025	496,207,689	16,059,336
Total Liabilities	586,493,682	559,017,198	27,476,484
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	17,238,691	10,299,894	6,938,797
NET POSITION			
Net investment in capital assets	178,793,863	186,569,478	(7,775,615)
Restricted	23,113,535	20,111,913	3,001,622
Unrestricted	(154,447,693)	(148,389,836)	(6,057,857)
Total Net Position	47,459,705	58,291,555	(10,831,850)
Total Liabilities, Deferred Inflows and Net Position	$651,192,078	$627,608,647	$ 23,583,431

The District's components of assets, liabilities, and net position are noted on page 14.

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 15.

Table 2

	2018	2017	Change
Operating Revenues			
Tuition and fees (net)	$ 20,645,851	$ 19,689,266	$ 956,585
Grants and contracts	67,573,811	43,605,674	23,968,137
Other operating revenues	10,212	30,635	(20,423)
Total Operating Revenues	88,229,874	63,325,575	24,904,299
Operating Expenses			
Salaries and benefits	198,426,634	172,382,755	26,043,879
Supplies and maintenance	56,687,139	48,651,743	8,035,396
Student financial aid	63,492,406	53,298,914	10,193,492
Depreciation	17,803,097	16,960,528	842,569
Total Operating Expenses	336,409,276	291,293,940	45,115,336
Loss on Operations	(248,179,402)	(227,968,365)	(20,211,037)
Nonoperating Revenues			
State apportionments	114,799,282	111,781,459	3,017,823
Property taxes	54,642,122	53,128,130	1,513,992
State revenues	6,960,968	9,627,908	(2,666,940)
Federal and State financial aid grants	61,378,617	52,841,452	8,537,165
Net investment income	1,682,844	807,537	875,307
Net interest expense	(14,638,528)	(14,619,076)	(19,452)
Other nonoperating revenues	9,519,831	16,077,997	(6,558,166)
Total Nonoperating Revenue	234,345,136	229,645,407	4,699,729
Other Revenues (Losses)			
State capital income	3,213,350	1,356,211	1,857,139
Local capital income (losses)	(210,934)	213,750	(424,684)
Total Other Revenues (Losses)	3,002,416	1,569,961	1,432,455
Net Increase (Decrease) in Net Position	$ (10,831,850)	$ 3,247,003	$ (14,078,853)

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in fiscal year 2017-2018. 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 2017-2018, the District's investment income was $1.7 million and interest expense was $14.6 million. Interest income is primarily derived from cash held in the Riverside County Treasury. Investment income has increased approximately $0.9 million from the 2016-2017 fiscal year due to the interest yield on funds held in the Riverside County Investment Pool.

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

Table 3

Year ended June 30, 2018:

	Salaries and Employee Benefits	Supplies, Materials, and Other Operating Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional activities	$ 92,167,130	$ 4,388,111	$ -	$ -	$ 96,555,241
Academic support	26,148,065	14,799,433	-	-	40,947,498
Student services	34,030,178	6,145,832	-	-	40,176,010
Plant operations and maintenance	8,340,605	6,235,915	-	-	14,576,520
Instructional support services	25,530,860	17,208,962	-	-	42,739,822
Community services and economic development	2,210,501	530,447	-	-	2,740,948
Ancillary services and auxiliary operations	9,999,295	3,163,444	-	-	13,162,739
Student aid	-	-	63,492,406	-	63,492,406
Physical property and related acquisitions	-	4,214,995	-	-	4,214,995
Unallocated depreciation	-	-	-	17,803,097	17,803,097
Total	$ 198,426,634	$ 56,687,139	$ 63,492,406	$ 17,803,097	$ 336,409,276

Changes in Cash Position

Table 4

	2018	2017	Change
Cash Provided by (Used in)			
Operating activities	$ (221,828,653)	$ (239,677,310)	$ 17,848,657
Noncapital financing activities	230,563,709	271,965,452	(41,401,743)
Capital financing activities	(377,342)	(10,258,004)	9,880,662
Investing activities	1,302,671	635,101	667,570
Net Increase (Decrease) in Cash	9,660,385	22,665,239	(13,004,854)
Cash, Beginning of Year	124,319,728	101,654,489	22,665,239
Cash, End of Year	$ 133,980,113	$ 124,319,728	$ 9,660,385

The Statement of Cash Flows on pages 16 and 17 provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had $617.9 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2018, the District's net capital assets were $429.5 million. Major capital improvement projects are ongoing throughout the District. These projects are primarily funded through Physical Plant and Instructional Support and Proposition 39: Clean Energy revenues, and District General Obligation Bonds. Projects are accounted for within the Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be recorded to the depreciable Buildings and Improvement category.

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

Table 5

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Land and construction in progress	$ 146,793,875	$ 1,423,942	$ (55,809,532)	$ 92,408,285
Buildings and land improvements	417,886,397	59,261,520	(674,274)	476,473,643
Furniture and equipment	47,736,895	1,884,741	(561,758)	49,059,878
Subtotal	612,417,167	62,570,203	(57,045,564)	617,941,806
Accumulated depreciation	(171,457,439)	(17,803,097)	866,758	(188,393,778)
	$ 440,959,728	$ 44,767,106	$ (56,178,806)	$ 429,548,028

Obligations

At the end of the 2017-2018 fiscal year, the District had $275.3 million in general obligation bonds outstanding, including premium. These bonds are repaid in annual installments, in accordance with the obligation requirements for each debt issuance, by way of property tax assessments on property within the District's boundaries.

The District is also obligated to employees of the District for compensated absences, load banking benefits, and retiree health payments.

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

Aggregate Net Pension Liability (NPL)

At year-end, the District had an aggregate net pension liability of $195.5 million. The District has therefore recorded its proportionate share of net pension liabilities for CalSTRS and CalPERS.

Note 10 in the financial statements provides additional information on long-term obligations. A summary of long-term obligations is presented below.

Table 6

	(as restated) Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
General obligation bonds	$ 279,417,963	$ 2,887,054	$ (6,989,065)	$ 275,315,952
Aggregate net other postemployment benefits (OPEB) liability	43,868,844	738,654	(162,910)	44,444,588
Aggregate net pension obligation	176,820,554	18,647,419	-	195,467,973
Other liabilities	3,773,741	338,487	-	4,112,228
Total Long-Term Obligations	$ 503,881,102	$ 22,611,614	$ (7,151,975)	$ 519,340,741
Amount due within one year				$ 7,073,716

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 2017-2018 fiscal year on June 19, 2018.

The District's final revised budget for the unrestricted General Fund anticipated that expenditures would exceed revenues by $30.23 million. The actual results for the year showed revenues exceeded expenditures by $2.09 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 51.63 percent of total revenues. The District reported an increase of 75 FTES during fiscal year 2017-2018 resulting from an increase of course offerings. Beginning in FY 2018-2019, the State of California adopted a new method for funding California community colleges, referred to as the Student Centered Funding Formula. The Student Centered Funding Formula shifts the emphasis of funding from solely on access through full-time equivalent students to a combination of access, equity and student success, with the equity component determined by the number of College Promise and Pell Grants awarded, and the student success component determined, among other aspects, by the number of degrees and certificates awarded. The District's fiscal year 2018-2019 unrestricted general fund adopted budget anticipates revenue increases of $18.37 million, expenditure increases of $19.35 million, and a Board-approved contingency of 5.0 percent. The District continues to manage enrollment and operating costs to ensure ongoing financial stability and to achieve reserve levels 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 3801 Market Street, Riverside, California 92501.

BASIC FINANCIAL STATEMENTS

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2018

ASSETS	
Current Assets	
Cash and cash equivalents	$ 3,022,627
Investments - unrestricted	52,761,841
Investments - restricted	78,195,645
Accounts receivable	16,045,621
Student accounts receivable, net	1,612,391
Due from fiduciary funds	34,313
Prepaid expenses	126,260
Inventories	30,743
Total Current Assets	151,829,441
Noncurrent Assets	
Nondepreciable capital assets	92,408,285
Depreciable capital assets, net of depreciation	337,139,743
Total Noncurrent Assets	429,548,028
TOTAL ASSETS	581,377,469
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	8,636,776
Deferred outflows of resources related to pensions	61,177,833
TOTAL DEFERRED OUTFLOWS OF RESOURCES	69,814,609
LIABILITIES	
Current Liabilities	
Accounts payable	15,262,647
Accrued interest payable	4,861,401
Due to fiduciary funds	132,862
Unearned revenue	42,350,349
Claims liability	4,545,682
Compensated absences payable - current portion	1,603,716
Bonds payable - current portion	5,470,000
Total Current Liabilities	74,226,657
Noncurrent Liabilities	
Compensated absences and load banking payable - noncurrent portion	2,508,512
Bonds payable - noncurrent portion	260,290,680
Bond premium	9,555,272
Aggregate net other postemployment benefits (OPEB) liability	44,444,588
Aggregate net pension liability	195,467,973
Total Noncurrent Liabilities	512,267,025
TOTAL LIABILITIES	586,493,682
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	17,238,691
NET POSITION	
Net investment in capital assets	178,793,863
Restricted for:	
Debt service	12,156,648
Capital projects	1,885,451
Educational programs	9,071,436
Unrestricted	(154,447,693)
TOTAL NET POSITION	$ 47,459,705

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUES	
Student Tuition and Fees	$ 43,525,653
Less: Scholarship discount and allowance	(22,879,802)
Net tuition and fees	20,645,851
Grants and Contracts, Noncapital:	
Federal	12,475,636
State	45,612,861
Local	9,485,314
Net grants and contracts, noncapital	67,573,811
Other Operating Revenues	10,212
TOTAL OPERATING REVENUES	88,229,874
OPERATING EXPENSES	
Salaries	145,222,476
Employee benefits	53,204,158
Supplies, materials, and other operating expenses and services	51,738,750
Student financial aid	63,492,406
Equipment, maintenance, and repairs	4,948,389
Depreciation	17,803,097
TOTAL OPERATING EXPENSES	336,409,276
OPERATING LOSS	(248,179,402)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	114,799,282
Federal financial aid grants, noncapital	53,444,995
State financial aid grants, noncapital	7,933,622
Local property taxes levied for general purposes	38,128,216
Local property taxes levied for capital debt	16,513,906
State taxes and other revenues	6,960,968
Investment income	1,568,056
Interest expense on capital related debt	(14,638,528)
Investment income on capital related debt	114,788
Loss on disposal of capital assets	(369,273)
Other nonoperating revenue	9,889,104
TOTAL NONOPERATING REVENUES (EXPENSES)	234,345,136
LOSS BEFORE OTHER REVENUES	(13,834,266)
OTHER REVENUES	
State revenues, capital	3,213,350
Local revenues, capital	(210,934)
TOTAL OTHER REVENUES	3,002,416
CHANGE IN NET POSITION	(10,831,850)
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 15)	58,291,555
NET POSITION, END OF YEAR	$ 47,459,705

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 20,028,779
Payments to vendors for supplies and services	(57,205,425)
Payments to or on behalf of employees	(191,476,248)
Payments to students for scholarships and grants	(63,492,406)
Federal, State, and local grants and contracts, noncapital	70,306,435
Other operating receipts	10,212
Net Cash Flows From Operating Activities	(221,828,653)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	114,799,282
Noncapital grants and contracts	61,378,617
Property taxes - non-debt related	38,128,216
State taxes and other apportionments	6,911,269
Other nonoperating	9,346,325
Net Cash Flows From Noncapital Financing Activities	230,563,709
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(2,183,857)
State revenue, capital projects	3,343,631
Local revenue, capital projects	(210,934)
Property taxes - related to capital debt	16,513,906
Principal paid on capital debt	(6,989,065)
Interest paid on capital debt	(14,695,387)
Interest received on capital related debt	114,788
Deferred charges on refunding	842,882
Other expenses for capital financing activities, net	2,886,694
Net Cash Flows From Capital Financing Activities	(377,342)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	1,302,671
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,660,385
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	124,319,728
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 133,980,113

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

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	$ (248,179,402)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities:	
Depreciation	17,803,097
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Accounts receivable	(4,700,924)
Inventories	(72)
Prepaid expenses	22,070
Accounts payable and other accrued liabilities	(463,477)
Unearned revenue	6,816,476
Compensated absences and load banking	338,487
Claims liability	971,053
Aggregate net other postemployment benefits (OPEB)	575,744
Deferred outflows of resources related to pensions	(20,597,921)
Aggregate net pension obligation	18,647,419
Deferred inflows of resources related to pensions	6,938,797
Total Adjustments	26,350,749
Net Cash Flows From Operating Activities	$ (221,828,653)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 3,022,627
Unrestricted cash in county treasury	52,761,841
Restricted cash in county treasury	78,195,645
Total Cash and Cash Equivalents	$ 133,980,113
NON CASH TRANSACTIONS	
On behalf payments for benefits	$ 5,786,555
Board of Governors fee waivers	22,879,802
	$ 28,666,357

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Retiree OPEB Trust	Associated Students Trust
ASSETS		
Cash and cash equivalents	$ -	$ 2,568,489
Investments	1,169,405	-
Accounts receivable	-	6,794
Due from primary government	-	132,862
Prepaid expenses	-	9,581
Total Assets	1,169,405	2,717,726
LIABILITIES		
Accounts payable	-	88,212
Due to primary government	-	34,313
Due to student groups	-	1,411,842
Total Liabilities	-	1,534,367
NET POSITION		
Restricted for postemployment benefits other than pensions	1,169,405	-
Unreserved	-	1,183,359
Total Net Position	$ 1,169,405	$ 1,183,359

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Retiree OPEB Trust	Associated Students Trust
ADDITIONS		
Interest and investment income	$ 116,869	$ -
District contributions	6,209,619	-
Other local revenues	-	991,781
Total Additions	6,326,488	991,781
DEDUCTIONS		
Benefit payments	5,968,234	-
Services and operating expenditures	2,197	952,678
Total Deductions	5,970,431	952,678
Change in Net Position	356,057	39,103
Net Position - Beginning, as Restated (See Note 15)	813,348	1,144,256
Net Position - Ending	$ 1,169,405	$ 1,183,359

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted 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. Condensed component unit information for the Corporation, the District's blended component unit, for the year ended June 30, 2018, is as follows:

Condensed Statement of Net Position

ASSETS		
Cash and cash equivalents	$	16,189
NET POSITION		
Restricted for:		
Capital projects	$	16,189

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

NONOPERATING REVENUES		
Interest income	$	7
CHANGE IN NET POSITION		7
NET POSITION, BEGINNING OF YEAR		16,182
NET POSITION, END OF YEAR	$	16,189

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 government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

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, noncapital grants and contracts, 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, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State financial aid grants 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 financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include 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, 2018, 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 represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

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 $363,214 for the year ended June 30, 2018.

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 government-wide financial statements.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method.

Deferred Charge on Refunding

Deferred charge on refunding is amortized using the straight-line method over the remaining life of the new debt or the life of the old debt, whichever is shorter.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt and for pension related items.

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Compensated Absences

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

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is available to all full-time employees based on the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement Systems (CalPERS) criteria.

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, bond premiums, compensated absences, load banking, the aggregate net OPEB liability, and aggregate net pension 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.

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

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The government-wide financial statements report $23,113,535 of restricted net position.

Operating Revenues and Expenses

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

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

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

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

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

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

State Apportionments

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

Property Taxes

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

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

Scholarships, Discounts, and Allowances

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

Federal Financial Assistance Programs

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

Estimates

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

Interfund Activity

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

Change in Accounting Principles

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB 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 all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Reporting amounts previously reported as goodwill and "negative" goodwill;
- Classifying real estate held by insurance entities;
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB; and
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The District has implemented the provisions of this Statement as of June 30, 2018.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The District has implemented the provisions of this Statement as of June 30, 2018.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

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

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

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Early implementation is encouraged.

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

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

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.

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2018, consist of the following:

	Primary Government
Cash on hand and in banks	$ 2,972,627
Cash in revolving	50,000
Investments	130,957,486
Total Deposits and Investments	$ 133,980,113

	Fiduciary Funds
Cash on hand and in banks	$ 2,568,489
Investments	1,169,405
Total Deposits and Investments	$ 3,737,894

Interest Rate Risk

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

Specific Identification

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

Investment Type	Fair Market Value	Maturity Date*
Riverside County Investment Pool	$ 130,222,070	1.17
Mutual Funds	1,169,405	N/A
Total	$ 131,391,475	

*Weighted average of maturity in years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Investment Pool are rated AAA/S1 by Fitch Ratings Ltd. as of June 30, 2018. The District's investments in Mutual Funds are not required to be rated, nor have they been rated as of June 30, 2018.

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, 2018, the District had bank balances of $5,483,877 exposed to custodial credit risk because it was uninsured, but collateralized at 110 percent of balance over $250,000 with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

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

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

Uncategorized - Investments in the Riverside County Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2018:

Investment Type	Fair Value	Level 1 Inputs	Uncategorized
Riverside County Investment Pool	$ 130,222,070	$ -	$ 130,222,070
Mutual Funds	1,169,405	1,169,405	-
Total	$ 131,391,475	$ 1,169,405	$ 130,222,070

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

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	Primary Government
Federal Government	
Categorical aid	$ 3,382,896
State Government	
Categorical aid	6,021,531
Lottery	1,281,260
Local Sources	
Interest	519,044
Property taxes	1,470,081
Self insurance	778,710
Other local sources	2,592,099
Total	$ 16,045,621
Student receivables	$ 1,975,605
Less allowance for bad debt	(363,214)
Student receivables, net	$ 1,612,391
Total Receivables, Net	$ 17,658,012

	Fiduciary Funds
Other local	$ 6,794

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Capital Assets Not Being Depreciated				
Land	$ 32,502,697	$ -	$ -	$ 32,502,697
Construction in progress	114,291,178	1,423,942	55,809,532	59,905,588
Total Capital Assets Not Being Depreciated	146,793,875	1,423,942	55,809,532	92,408,285
Capital Assets Being Depreciated				
Land improvements	14,459,363	882,791	-	15,342,154
Buildings and improvements	403,427,034	58,378,729	674,274	461,131,489
Furniture and equipment	47,736,895	1,884,741	561,758	49,059,878
Total Capital Assets Being Depreciated	465,623,292	61,146,261	1,236,032	525,533,521
Total Capital Assets	612,417,167	62,570,203	57,045,564	617,941,806
Less Accumulated Depreciation				
Land improvements	11,350,389	948,376	-	12,298,765
Buildings and improvements	118,932,981	14,729,169	305,000	133,357,150
Furniture and equipment	41,174,069	2,125,552	561,758	42,737,863
Total Accumulated Depreciation	171,457,439	17,803,097	866,758	188,393,778
Net Capital Assets	$ 440,959,728	$ 44,767,106	$ 56,178,806	$ 429,548,028

Depreciation expense for the year was $17,803,097.

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, 2018, the District has not recorded a value for the collection in the financial statements.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2018, consisted of the following:

	Primary Government
Accrued payroll and benefits	$ 1,225,140
Apportionment	5,468,465
Federal categorical programs	44
State categorical programs	108,114
Construction payables	1,454,986
Vendor payables	7,005,898
Total	$ 15,262,647

	Fiduciary Funds
Vendor payables	$ 88,212

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2018, consisted of the following:

	Primary Government
Federal financial assistance	$ 13,483
State categorical aid	30,448,467
Scheduled maintenance	3,282,291
Prop 39 Clean Energy	2,142,060
Other State aid	983,582
Enrollment fees	1,326,303
Health and liability self-insurance	2,435,231
Other local	1,718,932
Total	$ 42,350,349

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds, respectively, has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2018, the amounts owed between the primary government and the fiduciary funds were $34,313 and $132,862, 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. During the 2018 fiscal year, there were no transfers made between the primary government and the fiduciary funds.

NOTE 10 - LONG-TERM OBLIGATIONS

Long-Term Obligations Summary

The changes in the District's long-term obligations during the 2018 fiscal year consisted of the following:

	(as restated) Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due in One Year
Bonds Payable					
General obligation bonds, Series 2010 D/D-1	$ 113,222,831	$ 744,652	$ 765,000	$ 113,202,483	$ 970,000
Unamortized debt premium	1,342,895	-	58,176	1,284,719	-
General obligation bonds, Refunding Bonds 2014, Series A and B	67,375,000	-	4,085,000	63,290,000	4,400,000
Unamortized debt premium	3,758,479	-	372,742	3,385,737	-
General obligation bonds, Series 2015 E	45,605,795	2,142,402	1,265,000	46,483,197	-
Unamortized debt premium	164,557	-	7,452	157,105	-
Refunding Bonds 2015	42,885,000	-	100,000	42,785,000	100,000
Unamortized debt premium	5,063,406	-	335,695	4,727,711	-
Total Bonds Payable	279,417,963	2,887,054	6,989,065	275,315,952	5,470,000
Other Liabilities					
Compensated absences	2,974,674	274,537	-	3,249,211	1,603,716
Load banking	799,067	63,950	-	863,017	-
Aggregate net other postemployment benefits (OPEB) liability	43,868,844	738,654	162,910	44,444,588	-
Aggregate net pension liability	176,820,554	18,647,419	-	195,467,973	-
Total Other Liabilities	224,463,139	19,724,560	162,910	244,024,789	1,603,716
Total Long-Term Obligations	$ 503,881,102	$ 22,611,614	$ 7,151,975	$ 519,340,741	$ 7,073,716

Description of Debt

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property tax collections. The compensated absences and aggregate net pension liability are paid by the fund for which the employees' salaries are paid from. The District's General Fund makes payments for the aggregate net other postemployment benefits (OPEB) liability and load banking.

Bonded Debt

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, 2018, the principal balance outstanding was $113,202,483 and unamortized premium cost of $1,284,719. Premium 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. Effective March 1, 2013, the subsidy percentage was reduced by 8.7 percent, to 26.3 percent as a result of sequestration by the Federal government. The sequestration percentage was again adjusted to 7.2 percent as of October 1, 2013, resulting in a semi-annual subsidy of $1,170,987. As of June 30, 2018, the sequestration percentage remains at 7.2 percent.

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

2014 General Obligation Refunding Bonds

During May 2014, the District issued the $73,090,000 2014 General Obligation Refunding Bonds, Series A and Series B (federally taxable) in the amounts of $29,130,000 and $43,960,000, respectively. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability. The refunding resulted in an economic gain of $4,105,270 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 5.81 percent.

Series A tax-exempt bonds have a final maturity to occur on August 1, 2027, with interest rates from 2.00 to 5.00 percent. The net proceeds of $34,006,704 (representing the principal amount of $29,130,000 plus premium on issuance of $4,876,704) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2004A, advance refund a portion of the District's 2005 General Obligation Refunding Bonds, advance refund a portion of the 2004 General Obligation Bonds, Series 2007C, and pay the costs associated with the issuance of the refunding bonds. At June 30, 2018, the principal balance outstanding was $27,835,000. Unamortized premium received on issuance of the bonds amounted to $3,385,737 as of June 30, 2018.

Series B federally taxable bonds have a final maturity to occur on August 1, 2024, with interest rates from 0.40 to 3.61 percent. The proceeds of $43,960,000 from issuance were used to advance refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds, and pay the costs associated with the issuance of the federally taxable bonds. At June 30, 2018, the principle balance outstanding was $35,455,000.

2015 General Obligation Bonds, Series 2015E

During July 2015, the District issued the 2015 General Obligation Bonds, Series E in the amount of $45,004,145. The bonds mature beginning on August 1, 2015 through August 1, 2039, with interest yields ranging from 3.81 to 5.05 percent. At June 30, 2018, the principal outstanding was $46,483,197 and unamortized premium cost of $157,105. Premium 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 costs of renovating, acquiring, construction, repairing, and equipping District buildings and to pay all legal, financial, and contingent costs in connection with the issuance of the bonds. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. Interest with respect of the bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

2015 General Obligation Refunding Bonds

During July 2015, the District issued the 2015 General Obligation Refunding Bonds in the amount of $43,920,000. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability. The refunding resulted in an economic gain of $5,372,100 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 4.32 percent.

The bonds have a final maturity to occur on August 1, 2032, with interest rates from 2.00 to 5.00 percent. The net proceeds of $49,654,797 (representing the principal amount of $43,920,000 plus premium on issuance of $5,734,797) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2007C, advance refund the remaining balance of the District's 2005 General Obligation Refunding Bonds and pay the costs associated with the issuance of the refunding bonds. At June 30, 2018, the principal balance outstanding was $42,785,000. Unamortized premium received on issuance of the bonds amounted to $4,727,711 as of June 30, 2018.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2017	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2018
2010	2041	2.36%-5.53%	$ 109,999,278	$ 113,222,831	$ -	$ 744,652	$ 765,000	$ 113,202,483
2014	2028	0.40%-5.00%	73,090,000	67,375,000	-	-	4,085,000	63,290,000
2015	2040	3.81%-5.05%	45,004,145	45,605,795	-	2,142,402	1,265,000	46,483,197
2015	2033	2.00%-5.00%	43,920,000	42,885,000	-	-	100,000	42,785,000
				$ 269,088,626	-	$ 2,887,054	$ 6,215,000	$ 265,760,680

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
2019	$ 915,087	$ 54,913	$ 7,164,193	$ 8,134,193
2020	986,542	188,458	7,164,193	8,339,193
2021	1,071,954	288,046	7,164,193	8,524,193
2022	1,324,987	235,013	7,164,193	8,724,193
2023	1,425,661	349,339	7,164,193	8,939,193
2024-2028	5,178,252	2,191,748	35,820,965	43,190,965
2029-2033	8,165,000	-	35,483,394	43,648,394
2034-2038	51,670,000	-	24,554,543	76,224,543
2039-2041	42,465,000	-	4,623,855	47,088,855
Total	$ 113,202,483	$ 3,307,517	$ 136,303,722	$ 252,813,722

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

Fiscal Year	Principal	Interest to Maturity	Total
2019	$ 4,400,000	$ 2,396,286	$ 6,796,286
2020	4,770,000	2,284,479	7,054,479
2021	5,175,000	2,141,647	7,316,647
2022	5,635,000	1,966,891	7,601,891
2023	6,130,000	1,763,760	7,893,760
2024-2028	37,180,000	4,620,795	41,800,795
Total	$ 63,290,000	$ 15,173,858	$ 78,463,858

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

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Total
2019	$ -	$ -	$ -
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024-2028	3,703,353	1,556,647	5,260,000
2029-2033	11,327,995	9,197,005	20,525,000
2034-2038	22,741,765	30,543,235	53,285,000
2039-2040	8,710,084	16,044,916	24,755,000
Total	$ 46,483,197	$ 57,341,803	$ 103,825,000

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

Fiscal Year	Principal	Interest to Maturity	Total
2019	$ 100,000	$ 2,056,975	$ 2,156,975
2020	100,000	2,054,975	2,154,975
2021	100,000	2,052,975	2,152,975
2022	100,000	2,050,475	2,150,475
2023	100,000	2,047,475	2,147,475
2024-2028	500,000	10,192,375	10,692,375
2029-2033	41,785,000	4,288,138	46,073,138
Total	$ 42,785,000	$ 24,743,388	$ 67,528,388

Compensated Absences

At June 30, 2018, the liability for compensated absences was $3,249,211.

Load Banking

At June 30, 2018, the liability for load banking was $863,017.

Aggregate Net Pension Obligation

At June 30, 2018, the liability for the aggregate net pension liability amounted to $195,467,973. See Note 12 for additional information.

Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2018, the District reported aggregate net OPEB liability and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	OPEB Expense
District Plan	$ 43,453,968	$ 4,516,450
Medicare Premium Payment (MPP) Program	990,620	(162,910)
Total	$ 44,444,588	$ 4,353,540

The details of each plan are as follows:

District Plan

Plan Administration

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

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

Plan Membership

At June 30, 2018, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	108
Active employees	1,050
	1,158

California Employers' Retiree Benefit Trust (CERBT)

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by agreements with the District, the Faculty Association (CCA/CTA/NEA), the local California School Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, CTA, CSEA, and the unrepresented groups. For fiscal year 2017-2018, the District contributed $6,209,619 to the Plan, of which $3,585,234 was used for current premiums and $2,624,385 was used to fund the OPEB Trust. Of this amount, $2,383,000 was disbursed as a reimbursement to the District for current year OPEB premiums.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Global Equity	40%
Fixed Income	39%
Treasury Inflation-Protected Securities (TIPS)	10%
Real Estate Investment Trusts (REITs)	8%
Commodities	3%

Rate of Return

For the year ended June 30, 2018, the annual money-weighed rate of return on investments, net of investment expense, was 4.51 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $43,453,968 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2018, were as follows:

Total OPEB liability	$ 44,623,373
Plan fiduciary net position	(1,169,405)
District's net OPEB liability	$ 43,453,968
Plan fiduciary net position as a percentage of the total OPEB liability	2.62%

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3.00 percent, average, including inflation
Investment rate of return	6.73 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	6.00 percent for medical; 5.00 percent for dental

The discount rate was based on the 20 year municipal bond rate.

Mortality rates were based on the 2016 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2018 valuation were based on the results of an actual experience study for the period July 1, 2017 to June 30, 2018.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global Equity	6.73%
Fixed Income	6.73%
Treasury Inflation-Protected Securities (TIPS)	6.73%
Real Estate Investment Trusts (REITs)	6.73%
Commodities	6.73%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.73 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB lability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	$ 43,528,662	$ 813,348	$ 42,715,314
Service cost	1,751,284	-	1,751,284
Interest	2,928,661	-	2,928,661
Contributions - employer	-	6,209,619	(6,209,619)
Net investment income	-	116,869	(116,869)
Benefit payments	(3,585,234)	(5,968,234)	2,383,000
Administrative expense	-	(2,197)	2,197
Net change in total OPEB liability	1,094,711	356,057	738,654
Balance at June 30, 2018	$ 44,623,373	$ 1,169,405	$ 43,453,968

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

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

Discount Rate	Total OPEB Liability
1% decrease (5.73%)	$ 47,763,137
Current discount rate (6.73%)	44,623,373
1% increase (7.73%)	41,730,361

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

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

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (5% for medical; 4% for dental)	$ 40,889,520
Current healthcare cost trend rate (6% for medial; 5% for dental)	44,623,373
1% increase (7% for medical; 6% for dental)	48,916,343

OPEB Expense

For the year ended June 30, 2018, the District recognized OPEB expense of $4,516,450.

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

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

Contributions

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

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

At June 30, 2018, the District reported a liability of $990,620 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.2355 percent and 0.2465, respectively, resulting in a net decrease in the proportionate share of 0.0110 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of $(162,910).

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2016, was determined based on a financial reporting actuarial valuation that used the June 30, 2016 assumptions presented in the table below. The June 30, 2017 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total OPEB liability to June 30, 2017, using the assumptions listed in the following table:

Measurement Date	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2016	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2016	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.58%	2.85%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2016, CalSTRS used custom mortality tables based on RP2000 Series tables issued by the Society of Actuaries, adjusted to fit CalSTRS specific experience through June 30, 2015. For the valuation as of June 30, 2017, CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS now uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among the members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 571 or an average of 0.32 percent of the potentially eligible population (177,763).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2017 and 2016, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2017 and 2016 was 3.58 percent and 2.85 percent, respectively. The MPP Program is funded on a pay-as-you-go basis as described in Note 2, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.58 percent and 2.85 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2017 and 2016, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.58%)	$ 1,096,685
Current discount rate (3.58%)	990,620
1% increase (4.58%)	887,449

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 895,177
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	990,620
1% increase (4.7% Part A and 5.1% Part B)	1,085,110

NOTE 11 - RISK MANAGEMENT

Property and Liability Insurance Coverages

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

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2018, the District contracted with the California Schools Risk Management (CSRM) 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 2017-2018, the District participated in the California Schools Risk Management Fund Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first $500,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / JPA Name	Type of Coverage	Limits
Self-Insured Certificate #7582 (California)	Workers' Compensation	$ 500,000
California Schools Risk Management (CSRM)	Excess Worker's Compensation	$ 1,000,000
California Schools Risk Management (CSRM)	General Liability	$ 500,000
Southern California Schools Risk Management (SCSRM)		$ 4,500,000
and Schools Excess Liability Fund (SELF)	Excess Liability	$ 25,000,000
California Schools Risk Management (CSRM)	Property	$ 600,000,000

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

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

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2016 to June 30, 2018:

	Self-Insurance
Liability Balance, July 1, 2016	$ 3,370,882
Claims and changes in estimates	8,878,989
Claims payments	(8,675,242)
Liability Balance, June 30, 2017	3,574,629
Claims and changes in estimates	11,196,098
Claims payments	(10,225,045)
Liability Balance, June 30, 2018	$ 4,545,682
Assets available to pay claims at June 30, 2018	$ 9,931,010

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

Employee Medical Benefits

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

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

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

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

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2018, the District reported the net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 120,279,953	$ 37,806,494	$ 14,432,541	$ 11,547,647
CalPERS	75,188,020	23,371,339	2,806,150	12,256,748
Total	$ 195,467,973	$ 61,177,833	$ 17,238,691	$ 23,804,395

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

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

The STRP provisions and benefits in effect at June 30, 2018, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	9.205%
Required employer contribution rate	14.43%	14.43%
Required State contribution rate	9.328%	9.328%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2018, are presented above, and the District's total contributions were $11,721,821.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 120,279,953
State's proportionate share of net pension liability associated with the District	71,156,604
Total	$ 191,436,557

The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.1301 percent and 0.1386 percent, respectively, resulting in a net decrease in the proportionate share of 0.0085 percent.

For the year ended June 30, 2018, the District recognized pension expense of $11,547,647. In addition, the District recognized pension expense and revenue of $7,162,595 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 11,721,821	$ -
Net change in proportionate share of net pension liability	3,356,600	9,131,275
Differences between projected and actual earnings on the pension plan investments	-	3,203,390
Differences between expected and actual experience in the measurement of the total pension liability	444,807	2,097,876
Changes of assumptions	22,283,266	-
Total	$ 37,806,494	$ 14,432,541

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (2,663,096)
2020	2,015,179
2021	290,576
2022	(2,846,049)
Total	$ (3,203,390)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 2,173,577
2020	2,173,577
2021	2,173,577
2022	2,173,578
2023	3,304,025
Thereafter	2,857,188
Total	$ 14,855,522

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 176,609,157
Current discount rate (7.10%)	120,279,953
1% increase (8.10%)	74,564,987

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2018, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	6.50%
Required employer contribution rate	15.531%	15.531%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2018, are presented above, and the total District contributions were $7,094,279.

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $75,188,020. The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.3150 percent and 0.3277 percent, respectively, resulting in a net decrease in the proportionate share of 0.0127 percent.

For the year ended June 30, 2018, the District recognized pension expense of $12,256,748. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,094,279	$ -
Net change in proportionate share of net pension liability	-	1,920,904
Differences between projected and actual earnings on the pension plan investments	2,600,991	-
Differences between expected and actual experience in the measurement of the total pension liability	2,693,676	-
Changes of assumptions	10,982,393	885,246
Total	$ 23,371,339	$ 2,806,150

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (70,477)
2020	3,000,980
2021	1,094,791
2022	(1,424,303)
Total	$ 2,600,991

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 3,609,077
2020	3,947,655
2021	3,313,187
Total	$ 10,869,919

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	5.38%
Global debt securities	19%	2.27%
Inflation assets	6%	1.39%
Private equity	12%	6.63%
Real estate	11%	5.21%
Infrastructure and Forestland	3%	5.36%
Liquidity	2%	-0.90%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 110,625,671
Current discount rate (7.15%)	75,188,020
1% increase (8.15%)	45,789,521

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 year ended June 30, 2018, which amounted to $5,786,555 (9.328 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2018. 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 operating 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, 2018. Total contributions to the plan amounted to $736,271.

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

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

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated. During the year ended June 30, 2018, the District made payments of $79,464, $1,562,746, $21,600, and $1,031,597 to SELF, RCCCSSIPE, REEP, and SCSRM, respectively.

NOTE 14 - 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, 2018.

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, 2018.

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
2019	$ 43,293
2020	41,175
2021	25,449
2022	17,819
Total	$ 127,736

Construction Commitments

As of June 30, 2018, the District had the following budgetary commitments with respect to the unfinished capital projects:

Project	Estimated Cost to Complete	Percent Complete	Estimated Completion
Moreno Valley - Student Services	$ 11,000,000	0.00%	FY 2018-2019
Riverside - Student Services/Administration Building	4,224,079	83.71%	FY 2018-2019
District - IT Upgrade	727,797	87.87%	FY 2018-2019
Riverside City College Culinary Arts Academy and District Office Building	398,016	98.82%	FY 2018-2019
Norco - Self-Generation Incentive Program - SPP 882	82,874	97.34%	FY 2018-2019
	$ 16,432,766		

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

NOTE 15 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	$ 91,393,327
Inclusion of aggregate net OPEB liability from the adoption of GASB Statement No. 75	(33,101,772)
Net Position - Beginning, as Restated	$ 58,291,555

Fiduciary Funds	
Net Position - Beginning	$ 1,144,256
Restatement of retiree OPEB trust for implementation of GASB Statement No. 74	813,348
Net Position - Beginning, as Restated	$ 1,957,604

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2018

	2018
Total OPEB Liability	
Service cost	$ 1,751,284
Interest	2,928,661
Benefit payments	(3,585,234)
Net changes in total OPEB liability	1,094,711
Total OPEB Liability - beginning	43,528,662
Total OPEB Liability - ending (a)	$ 44,623,373
Plan fiduciary net position	
Contributions - employer	$ 6,209,619
Net investment income	116,869
Benefit payments	(5,968,234)
Administrative expense	(2,197)
Net change in plan fiduciary net position	356,057
Plan fiduciary net position - beginning	813,348
Plan fiduciary net position - ending (b)	$ 1,169,405
District's net OPEB liability - ending (a) - (b)	$ 43,453,968
Plan fiduciary net position as a percentage of the total OPEB liability	2.62%
Covered-employee payroll	$ 85,823,805
District's net OPEB liability as a percentage of covered-employee payroll	50.63%

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

See accompanying note to required supplementary information.

SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Annual money-weighted rate of return, net of investment expense	4.51%

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

See accompanying note to required supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Year ended June 30,	
District's proportion of the net OPEB liability	0.2355%
District's proportionate share of the net OPEB liability	$ 990,620
District's covered-employee payroll	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%

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

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

See accompanying note to required supplementary information.

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RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
District's proportion of the net pension liability	0.1301%	0.1386%
District's proportionate share of the net pension liability	$ 120,279,953	$ 112,090,120
State's proportionate share of the net pension liability associated with the District	71,156,604	63,810,906
Total	$ 191,436,557	$ 175,901,026
District's covered-employee payroll	$ 73,435,278	$ 70,453,924
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	163.79%	159.10%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%
CalPERS		
District's proportion of the net pension liability	0.3150%	0.3277%
District's proportionate share of the net pension liability	$ 75,188,020	$ 64,730,434
District's covered-employee payroll	$ 40,162,918	$ 39,288,878
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	187.21%	164.76%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%

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

See accompanying note to required supplementary information.

2016	2015
0.1322%	0.1408%
$ 89,023,018	$ 82,251,502
47,083,363	49,667,008
$ 136,106,381	$ 131,918,510
$ 63,394,932	$ 62,691,527
140.43%	131.20%
74%	77%
0.3284%	0.3371%
$ 48,412,453	$ 38,273,998
$ 36,230,238	$ 35,391,662
133.62%	108.14%
79%	83%

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
Contractually required contribution	$ 11,721,821	$ 9,238,158
Contributions in relation to the contractually required contribution	11,721,821	9,238,158
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 81,232,301	$ 73,435,278
Contributions as a percentage of covered-employee payroll	14.43%	12.58%
CalPERS		
Contractually required contribution	$ 7,094,279	$ 5,574,613
Contributions in relation to the contractually required contribution	7,094,279	5,574,613
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 45,678,186	$ 40,162,918
Contributions as a percentage of covered-employee payroll	15.53%	13.88%

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

See accompanying note to required supplementary information.

	2016	2015
	$ 7,559,706	$ 5,629,470
	7,559,706	5,629,470
	$ -	$ -
	$ 70,453,924	$ 63,394,932
	10.73%	8.88%
	$ 4,655,732	$ 4,264,299
	4,655,732	4,264,299
	$ -	$ -
	$ 39,288,878	$ 36,230,238
	11.85%	11.77%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

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

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

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

Changes of Assumptions **-** There were no changes of assumptions since the previous valuation.

Schedule of OPEB Investment Returns

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

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

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

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

Changes of Assumptions **-** The plan rate of investment return assumption was changed from 2.85 percent to 3.58 percent since the previous valuation.

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

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

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

Changes of Assumptions **-** The CalSTRS plan rate of investment return assumption was changed from 7.60 percent to 7.10 percent since the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.65 percent to 7.15 percent since the previous valuation.

Schedule of District Contributions for Pensions

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

SUPPLEMENTARY INFORMATION

DISTRICT ORGANIZATION
JUNE 30, 2018

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

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

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Tracey Vackar	President	December 2018
Janet Green	Vice President	December 2018
Mary Figueroa	Secretary	December 2020
Virginia Blumenthal	Member	December 2018
Bill Hedrick	Member	December 2020

DISTRICT ADMINISTRATION

Dr. Wolde-Ab Isaac, Ph.D.	Chancellor
Mr. Aaron Brown	Vice Chancellor, Business and Financial Services
Dr. Susan Mills	Vice Chancellor, Educational Services and Strategic Planning
Dr. Terri Hampton	Vice Chancellor, Human Resources and Employee Relations

COLLEGE ADMINISTRATION

Dr. Irving Hendrick	Interim, President, Riverside City College
Dr. Bryan Reece	President, Norco College
Dr. Robin Steinback	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, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. DEPARTMENT OF DEFENSE				
Procurement Technical Assistance For Business Firms	12.002		$ 285,097	$ -
U.S. DEPARTMENT OF JUSTICE				
Bulletproof Vest Partnership	16.607		2,073	-
U.S. DEPARTMENT OF LABOR				
Workforce Investment Act				
Passed through from Chaffey Community College				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	TC-26434-14-60-A-6	1,018,782	-
Research and Development Cluster				
NATIONAL SCIENCE FOUNDATION				
GP-Impact: Geoscientist Development	47.050		19,145	-
Flying with Swallows: Improve STEM Education at MVC	47.076		77,676	-
The Information Assurance Auditing Project	47.076		60,126	-
National Center for Supply Chain Automation	47.076		625,771	105,082
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through from Regents of the University of California, Riverside				
Agents of Change for a Healthier Tomorrow	93.884	S-000834	16,322	-
Total Research and Development Cluster			799,040	105,082
SMALL BUSINESS ADMINISTRATION				
Federal and State Technology (FAST)	59.058		42,605	-
Passed through from California State University, Fullerton Auxiliary Services Corporation				
Tri-Tech Small Business Development Center	59.037	SBAHQ-17-B-0065	82,558	-
Passed through from California Department of Food and Agriculture				
CA State Trade Export	59.061	SBAHQ-17-IT-0010; SBAHQ-16-IT-0032	156,710	-
Total Small Business Administration			281,873	-
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Veterans Services	64.117		4,854	-

See accompanying note to supplementary information.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION				
TRIO Cluster:				
Student Support Services Program	84.042A		$ 1,296,907	$ -
Talent Search	84.044A		210,926	-
Upward Bound Program	84.047A		1,272,114	-
Upward Bound Program - Math & Science	84.047M		228,209	-
Subtotal TRIO Cluster			3,008,156	-
Student Financial Assistance Cluster:				
Federal Supplement Education Opportunity Grant (FSEOG)	84.007		1,108,524	-
FSEOG Administrative	84.007		64,928	-
Federal Direct Student Loans (Direct Loans)	84.268		3,785,564	-
Federal Work Study Program (FWS)	84.033		1,143,357	-
Federal Work Study Administrative	84.033		69,446	-
Federal Pell Grants (PELL)	84.063		47,476,986	-
Federal Pell Administrative	84.063		7,135	-
Subtotal Student Financial Assistance Cluster			53,655,940	-
Higher Education Act				
Title V - Accelerating Pathways to Graduation and Transfer	84.031S		627,722	-
Title V - Moreno Valley College Title V Corrections Scenario Training	84.031S		148,096	-
Title V - Bright Pathways to STEM Success	84.031S		126,329	-
Title V - MVC STEM Project	84.031S		583,247	-
Title V - STEM Engineering Pathways	84.031C		1,064,570	-
Passed through from University Enterprise Corporation at CSUSB				
Title V - Here to Career	84.031S	GT16146	74,163	-
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	17-150-006	219,025	-
Career and Technical Education, Title I-C	84.048	17-C01-045	1,061,854	-
Career and Technical Education Transitions	84.048A	17-C01-045	69,767	-
Rehabilitation Act				
Passed through from California Department of Rehabilitation				
Workability	84.126A	29287	219,146	-
Total U.S. Department of Education			60,858,015	-

See accompanying note to supplementary information.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through from California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	$ 190,552	$ -
Foster & Kinship Care Education Program (FKCE)	93.658	[1]	57,236	-
Passed through from Yosemite Community College District				
Early Childhood Study - Consortium Grant	93.575	17-18-4165	24,371	-
Passed through from Riverside County Superintendent of Schools				
Independent Living Skills - Emancipation Services	93.674	C-1005010	42,387	-
Total U.S. Department of Health and Human Services			314,546	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Americorps Student Ambassador Program	94.006		11,321	-
Total Expenditures of Federal Awards			$ 63,575,601	$ 105,082

[1] Pass-Through Identifying Number not available.

See accompanying note to supplementary information.

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

	Program Entitlements		
Program	Current Year	Prior Year	Total Entitlement
AB 86 Adult Education Block Grant	$ 540,527	$ 671,332	$ 1,211,859
Adult Education Program Data Block	-	44,867	44,867
Alliance for Allied Health Prof	-	17	17
Basic Skills	1,359,220	366,454	1,725,674
Board Financial Assistance Program	1,448,948	-	1,448,948
Cal Grant B	5,597,697	-	5,597,697
California Apprenticeship Initiative	-	726,914	726,914
California Career Pathways Trust	-	6,879,110	6,879,110
CalWORKs	1,123,625	-	1,123,625
CalWORKs Community College Set-Aside	100,000	29,487	129,487
Campus Safety and Sexual Assault	64,937	-	64,937
CARE	257,940	-	257,940
CCC Maker Implementation Grant with Sierra College	100,000	-	100,000
Commercial Sexual Exploitation of Children	13,000	-	13,000
Community College Basic Skills and Student Outcomes Transformation	1,508,217	572,695	2,080,912
Community College Completion	393,500	-	393,500
CTE Data Unlocked Initiative	-	171,683	171,683
CTE Pathways	-	30,348	30,348
Deputy Sector Navigator	235,000	-	235,000
Disabled Student Programs and Services (DSPS)	3,112,910	-	3,112,910
Enrollment Growth for ADN-RN	382,000	-	382,000
EOPS Special Project Set Aside	450,000	186,893	636,893
Extended Opportunity Program and Services (EOPS)	1,905,553	-	1,905,553
Faculty and Staff Diversity	50,000	6,282	56,282
Foster Care Education Program	65,225	-	65,225
Foster Parent Pre-Training	-	274,296	274,296
Full Time Student Success	1,774,500	13,300	1,787,800
Guided Pathways	926,030	-	926,030
Hunger Free Campus Support Allocation	61,808	-	61,808
Innovation in Higher Education	455,670	-	455,670
Instructional Equipment	614,225	387,549	1,001,774
JFK Middle College HS Counseling	20,000	-	20,000
Makerspace Start-Up	-	70,382	70,382
Mental Health Services	350,000	-	350,000
Middle College High School	100,000	-	100,000
Moreno Valley College's Cyber Camp	3,950	-	3,950
Nextup (CAFYES)	802,770	-	802,770
One-Time Emergency Aid Funding for Dreamer Students	167,925	-	167,925
Proposition 39 Clean Energy	200,000	-	200,000

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
$ 1,211,859	$ -	$ -	$ (567,440)	$ 644,419	$ 644,419
44,867	-	-	(26,112)	18,755	18,755
17	-	-	-	17	17
1,726,078	-	(405)	(1,177,812)	547,861	547,861
1,448,948	-	-	-	1,448,948	1,448,948
5,584,454	-	(390)	-	5,584,064	5,584,064
46,913	106,535	-	(33,547)	119,901	119,901
6,879,110	-	-	(3,000,132)	3,878,978	3,878,978
1,133,368	3,931	(9,367)	-	1,127,932	1,127,932
36,231	90,688	(7,654)	-	119,265	119,265
64,937	-	-	(64,937)	-	-
237,939	15,499	(7,534)	-	245,904	245,904
10,000	80,000	-	-	90,000	90,000
-	11,273	-	-	11,273	11,273
988,426	195,634	-	(166,634)	1,017,426	1,017,426
391,636	1,864	-	-	393,500	393,500
171,683	-	-	(100,000)	71,683	71,683
30,348	-	-	-	30,348	30,348
(60,000)	242,043	-	-	182,043	182,043
3,112,910	-	-	-	3,112,910	3,112,910
152,800	229,200	-	-	382,000	382,000
125,298	258,658	(3,500)	-	380,456	380,456
1,905,553	7,380	(34,689)	-	1,878,244	1,878,244
56,282	-	-	(37,787)	18,495	18,495
56,144	12,072	-	-	68,216	68,216
149,608	59,044	(20,716)		187,936	187,936
1,787,743	-	-	-	1,787,743	1,787,743
926,031	-	-	(921,578)	4,453	4,453
61,808	-	-	(35,761)	26,047	26,047
2,000,000	-	-	(1,922,426)	77,574	77,574
1,001,774	-	-	(129,428)	872,346	872,346
-	20,000	-	(3,129)	16,871	16,871
4,522	-	-	-	4,522	4,522
-	1,703	-	-	1,703	1,703
40,000	57,676	-	-	97,676	97,676
3,408	-	-	-	3,408	3,408
802,770	-	-	(802,770)	-	-
167,925	-	-	-	167,925	167,925
79,243	1,086	-	(74,880)	5,449	5,449

SCHEDULE OF EXPENDITURES OF STATE AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

	Program Entitlements		
Program	Current Year	Prior Year	Total Entitlement
Sector Navigator	$ 372,500	$ -	$ 372,500
SFAP Fiscal Coordination	-	119,252	119,252
Song Brown Health Care Workforce Training Act	-	100,405	100,405
Song Brown Registered Nursing	200,000	-	200,000
Song Brown RN Education Special Programs	61,623	-	61,623
Song Brown RN Special Program	69,898	-	69,898
SSSP Special Project Set-Aside	8,273,681	1,198,894	9,472,575
Staff Development	-	2,788	2,788
Strong Workforce Program Local	3,644,099	2,663,788	6,307,887
Strong Workforce Program Regional	9,085,719	6,673,511	15,759,230
Student Equity	3,627,327	1,576,001	5,203,328
Student Health and Wellness	5,000	-	5,000
Student Success and Support Program	6,199,860	1,680,273	7,880,133
Veteran Resource Center-Ongoing	150,563	-	150,563
Veterans Resource Center	2,000,000	-	2,000,000
Total State Programs			

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
$ -	$ 355,350	$ -	$ -	$ 355,350	$ 355,350
119,252	-	(23,859)		95,393	95,393
50,405	50,000	-	-	100,405	100,405
75,000	25,000	-	(4,037)	95,963	95,963
32,445	23,429	-	-	55,874	55,874
19,948	21,065	-	-	41,013	41,013
1,787,510	3,347,401	-	-	5,134,911	5,134,911
2,788	-	-	(2,788)	-	-
6,307,887	-	-	(4,709,704)	1,598,183	1,598,183
15,759,230	-	-	(13,335,988)	2,423,242	2,423,242
5,203,329	-	-	(1,511,255)	3,692,074	3,692,074
-	5,000	-	-	5,000	5,000
7,880,134	-	-	(973,137)	6,906,997	6,906,997
150,563	-	-	(127,098)	23,465	23,465
-	800,000	-	(720,087)	79,913	79,913
$ 69,769,124	$ 6,021,531	$ (108,114)	$ (30,448,467)	$ 45,234,074	$ 45,234,074

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2018

CATEGORIES	* Revised Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2017 only)			
1. Noncredit	30.77	-	30.77
2. Credit	1,524.76	-	1,524.76
B. Summer Intersession (Summer 2018 - Prior to July 1, 2018)			
1. Noncredit	-	-	-
2. Credit	1,332.23	-	1,332.23
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	17,751.86	-	17,751.86
(b) Daily Census Contact Hours	3,006.06	-	3,006.06
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	51.30	-	51.30
(b) Credit	2,127.70	-	2,127.70
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Contact Hours	2,574.23	-	2,574.23
(b) Daily Census Contact Hours	2,136.02	-	2,136.02
D. Total FTES	30,534.93	-	30,534.93
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	275.96	-	275.96
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	7.92	-	7.92
2. Credit	1,929.20	-	1,929.20

*Annual report was revised as of October 31, 2018.

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, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 33,140,604	$ -	$ 33,140,604	$ 33,140,604	$ -	$ 33,140,604
Other	1300	33,130,392	-	33,130,392	33,130,392	-	33,130,392
Total Instructional Salaries		66,270,996	-	66,270,996	66,270,996	-	66,270,996
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	13,114,156	-	13,114,156
Other	1400	-	-	-	2,510,041	-	2,510,041
Total Noninstructional Salaries		-	-	-	15,624,197	-	15,624,197
Total Academic Salaries		66,270,996	-	66,270,996	81,895,193	-	81,895,193
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	27,780,995	-	27,780,995
Other	2300	-	-	-	2,153,424	-	2,153,424
Total Noninstructional Salaries		-	-	-	29,934,419	-	29,934,419
Instructional Aides							
Regular Status	2200	2,180,733	-	2,180,733	2,180,733	-	2,180,733
Other	2400	416,164	-	416,164	416,164	-	416,164
Total Instructional Aides		2,596,897	-	2,596,897	2,596,897	-	2,596,897
Total Classified Salaries		2,596,897	-	2,596,897	32,531,316	-	32,531,316
Employee Benefits	3000	22,930,605	-	22,930,605	46,173,989	-	46,173,989
Supplies and Material	4000	-	-	-	1,935,449	-	1,935,449
Other Operating Expenses	5000	-	-	-	15,597,023	-	15,597,023
Equipment Replacement	6420	-	-	-	1,542	-	1,542
Total Expenditures Prior to Exclusions		91,798,498	-	91,798,498	178,134,512	-	178,134,512

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, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ 722,751	$ -	$ 722,751
Student Health Services Above Amount Collected	6441	-	-	-	27,132	-	27,132
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,722,327	-	1,722,327
Objects to Exclude							
Rents and Leases	5060	-	-	-	876,878	-	876,878
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	3,281,954	-	3,281,954
Employee Benefits	3000	-	-	-	1,902,601	-	1,902,601
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, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 39,383	$ -	$ 39,383
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6400	-	-	-	-	-	-
Equipment - Replacement	6410	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	8,573,026	-	8,573,026
Total for ECS 84362, 50 Percent Law		$ 91,798,498	$ -	$ 91,798,498	$169,561,486	$ -	$169,561,486
Percent of CEE (Instructional Salary Cost/Total CEE)		54.14%		54.14%	100.00%		100.00%
50% of Current Expense of Education					$ 84,780,743		$ 84,780,743

See accompanying note to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2018.

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 23,420,013
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 23,203,583	$ 216,430	$ -	$ 23,420,013
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, 2018

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance and Retained Earnings:		
General Funds	$ 54,102,247	
Special Revenue Funds	2,433,144	
Capital Outlay Projects	8,415,121	
Debt Service Funds	17,018,049	
Proprietary Fund	5,385,328	
Student Financial Aid Fund	580,296	
Total Fund Balances and Retained Earnings - All District Funds		**$ 87,934,185**
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:	617,941,806	
Accumulated depreciation is:	(188,393,778)	429,548,028
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.		(4,861,401)
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to measurement date	18,816,100	
Net change in proportionate share of net pension liability	3,356,600	
Differences between projected and actual earnings on pension plan investments	2,600,991	
Differences between expected and actual experience in the measurement of the total pension liability	3,138,483	
Changes of assumptions	33,265,659	
Total Deferred Outflows of Resources Related to Pensions		61,177,833
Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pension liability	(11,052,179)	
Differences between projected and actual earnings on pension plan investments	(3,203,390)	
Differences between expected and actual experience in the measurement of the total pension liability	(2,097,876)	
Changes of assumptions	(885,246)	
Total Deferred Inflows of Resources Related to Pensions		(17,238,691)

See accompanying note to supplementary information.

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, CONTINUED
JUNE 30, 2018

Deferred charges on refunding (the difference between the reacquisition price and net carrying amount of refunded debt) are capitalized and amortized over the remaining life of the new or old debt (whichever is shorter) and are included with governmental activities.		$ 8,636,776
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term obligations at year-end consist of:		
Bonds payable	$ 265,920,611	
Compensated absences and load banking	4,112,228	
Aggregate net other postemployment benefits (OPEB) liability	44,444,588	
Aggregate net pension liability	195,467,973	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is:	9,395,341	
Less compensated absences already recorded in funds	(1,603,716)	(517,737,025)
Total Net Position		**$ 47,459,705**

See accompanying note to supplementary information.

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 Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Build America Bonds and Medi-Cal Administrative Activities funds that have been recorded in the current period as revenues that have not been expended as of June 30, 2018.

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Position:		$ 65,920,631
Build America Bonds	N/A	(2,338,214)
Medi-Cal Administrative Activities	93.778	(6,816)
Total Expenditures of Federal Awards		$ 63,575,601

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.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 Audited Financial Statements

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

Proposition 30 Education Protection Account (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 government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

INDEPENDENT AUDITOR'S REPORTS

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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

Board of Trustees
Riverside Community College District
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Riverside Community College District (the District) as of and for the year ended June 30, 2018, 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 21, 2018.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 2 and Note 15 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

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

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

19340 Jesse Ln., Suite 260, Riverside, CA 92508 P 951.367.3000 F 951.367.3010 W vtdcpa.com

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated November 21, 2018.

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.

Vavrinek, Trine, Day & Co., LLP

Riverside, California
November 21, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Riverside Community College District
Riverside, California

Report on Compliance for Each Major Federal Program

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2018. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

19340 Jesse Ln., Suite 260, Riverside, CA 92508 P 951.367.3000 F 951.367.3010 W vtdcpa.com

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Vavrinek, Trine, Day & Co., LLP

Riverside, California
November 21, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Riverside Community College District
Riverside, California

Report on State Compliance

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements as identified in the 2017-2018 California Community Colleges Chancellor's Office *District Audit Manual* that could have a direct and material effect on each of the District's State programs as noted below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with State laws and regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2017-2018 California Community Colleges Chancellor's Office *District Audit Manual*. 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 opinions. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted below that were audited for the year ended June 30, 2018.

19340 Jesse Ln., Suite 260, Riverside, CA 92508 P 951.367.3000 F 951.367.3010 W vtdcpa.com

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	Dual Enrollment (CCAP and Non-CCAP)
Section 428	Student Equity
Section 429	Student Success and Support Program (SSSP) Funds
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 440	Intersession Extension Programs
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

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

The District does not offer an Intersession Extension Program; therefore, the compliance tests within this section were not applicable.

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

Vavrinek, Trine, Day & Co., LLP

Riverside, California
November 21, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,907,268
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

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.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

Board of Trustees
Riverside Community College District
Riverside, California

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of Riverside Community College District (the District) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated March 14, 2018. 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 to the financial statements, the District changed accounting policies related to reporting of the aggregate net other postemployment benefit (OPEB) liability by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, *Accounting* and *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, for the year ended June 30, 2018. 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 estimates affecting the District's financial statements were:

> Management's estimate of the claims liability is based on actuarial evidence provided by an actuary. We evaluated the key factors and assumptions used to develop the estimates for the claims liability in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the aggregate net other postemployment benefit (OPEB) liability is based on actuarial evidence provided by an actuary. We evaluated the key factors and assumptions used to develop the estimates for the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> In addition, management's estimate of the aggregate net pension obligation and associated accounts is based on actuarial evidence provided by the pension plan sponsors. We evaluated the key factors and assumptions used to develop the estimates for pension obligation, pension cost, and both deferred inflows and outflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

19340 Jesse Ln., Suite 260, Riverside, CA 92508 P 951.367.3000 F 951.367.3010 W vtdcpa.com

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. There were no corrected or uncorrected misstatements of the financial statements.

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 auditor's 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 21, 2018.

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 auditor's 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. We have also issued a management letter which provides suggestions for improvements in internal control.

<u>Other Matters</u>

We applied certain limited procedures to the required supplementary information (RSI), which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as listed on the table of contents of the Annual Financial Report, which accompanies the financial statements but are not RSI. With respect to this supplementary information, 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.

Restriction on Use

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

Vavrinek, Trine, Day & Co, LLP

Riverside, California
November 21, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

Board of Trustees and Management
Riverside Community College District
Riverside, California

In planning and performing our audit of the financial statements of Riverside Community College District (the District) for the year ended June 30, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following item represents a condition noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated November 21, 2018, on the financial statements of the District.

Cash Collections

During our testing over cash collections, we observed the cashier in the Cosmetology Department at Riverside City College collecting money without ringing up individual sales into the department's point-of-sale (POS) system at the time of the transaction. Instead, the cashier would accumulate multiple service tickets and input each transaction once the line of customers cleared.

Recommendation

Improper cash collection procedures opens up the opportunity for fraud and/or loss of revenues. Following established procedures on proper use of a POS system is a control to both ensure that service tickets are being inputted correctly and timely, but also to act as a secure location for cash until the nightly deposit into the safe. It is recommended that the Department maintains proper cash handling & use of POS procedures to prevent the risk of fraud and inaccurate recording of assets.

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

Vavrinek, Trine, Day & Co., LLP

Riverside, California
November 21, 2018

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Riverside Community College District (the "District") in connection with the issuance of $39,995,000 Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2019F and $100,295,000 of the District's 2019 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to Resolutions of the District adopted on September 17, 2019 (the "Resolutions"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement, dated as of October 24, 2019, relating to the offer and sale of the Bonds.

"Participating Underwriter" shall mean, Piper Jaffray & Co., as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2018-19 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(A) State funding received by the District for the last completed fiscal year;

(B) Full time equivalent student counts of the District for the last completed fiscal year;

(C) outstanding District indebtedness;

(D) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.

(E) assessed valuation of taxable property within the District, for the current fiscal year.

(F) secured *ad valorem* property tax delinquencies within the District for the last completed fiscal year, to the extent that Riverside County discontinues the Teeter Plan (as such term is defined in the Official Statement).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties; and

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled Bond calls.

4. unless described under Section 5(a)(5) above, adverse tax opinions, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. appointment of a successor or additional paying agent with respect to the Bonds or the change of name of such paying agent.

8. incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: November 14, 2019

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: ____
Vice Chancellor, Business and Financial Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: RIVERSIDE COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2004 General Obligation Bonds, Series 2019F
2019 General Obligation Refunding Bonds

Date of Issuance: November 14, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:________________________

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By _______[form only; no signature required]_________

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF RIVERSIDE AND RIVERSIDE COUNTY

The Bonds are not obligations of the City of Riverside (the "City") or the County of Riverside (the "County") and do not represent a lien or charge against any funds or property of the City or the County. The following information is provided only to give prospective investors an overview of the general economic condition of the City, the County and the State of California (the "State").

General

The City of Riverside. The City of Riverside (the "City") is located in Riverside County (the "County") in the Inland Empire of the State of California (the "State") and is the most populous city in the County and the Inland Empire. It is the 12th largest city in the State and the 6th largest city in Southern California. The City operates under the council-manager form of government with a seven member council elected for four year overlapping terms. The Mayor is elected at large for a four year term and is the presiding officer of the Council. The City was founded in 1870, and boasts a long history of agriculture with the citrus industry boom, as the City is the birthplace of the California citrus industry.

Riverside County. The County is the fourth largest county in the State, encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County is a general law county, with five districts with one supervisor elected from each district every four years. The Chairman and Vice-Chairman are elected annually. The County has experienced a long period of growth and development. It is currently the eleventh most populous county in the United States, and fourth largest in the State. The County, incorporated in 1893, is a general law county, with its seat located in the City.

[REMAINDER OF PAGE LEFT BLANK]

Population

The following table shows historical population figures for the City, the County and the State from 2010 through 2018.

POPULATION ESTIMATES
2010 through 2018
City of Riverside, Riverside County and State of California

Year	City of Riverside	Riverside County	State of California
2010	303,871	2,189,641	37,253,956
2011	308,124	2,217,946	37,594,781
2012	311,622	2,246,951	37,971,427
2013	314,701	2,272,031	38,321,450
2014	316,400	2,295,798	38,622,301
2015	318,914	2,321,837	38,952,462
2016	321,723	2,350,992	39,214,803
2017	323,934	2,384,660	39,504,609
2018	326,270	2,412,536	39,740,508
2019	328,101	2,440,124	39,927,315

(1) As of January 1.
(2) As of April 1.
Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2011-19 (2010 Census Benchmark): California Department of Finance for January 1.

Personal Income

The following table shows per capita personal income for the County, the State and the United States from 2008 through 2017.

PER CAPITA PERSONAL INCOME
2008 through 2017
Riverside County, State of California and United States

Year	Riverside County	State of California	United States
2008	31,627	43,895	40,873
2009	30,451	42,050	39,284
2010	30,685	43,609	40,545
2011	32,179	46,145	42,727
2012	32,707	48,751	44,582
2013	33,383	49,173	44,826
2014	34,732	52,237	47,025
2015	36,603	55,679	48,940
2016	37,827	57,497	49,831
2017	39,261	59,796	51,640

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table summarizes the labor force, employment and unemployment figures for the City, the County, the State of California and the United States from 2014 through 2018.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE
2014 through 2018[(1)]
City of Riverside, Riverside County, the State of California and the United States

Year and Area	Labor Force	Employment[(2)]	Unemployment[(3)]	Unemployment Rate (%)
2014				
City of Riverside	144,800	133,500	11,300	7.8
Riverside County	1,011,100	928,300	82,900	8.2
State of California	18,714,700	17,310,900	1,403,800	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
2015				
City of Riverside	147,600	138,100	9,400	6.4
Riverside County	1,034,200	965,000	69,300	6.7
State of California	18,851,100	17,681,800	1,169,200	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
City of Riverside	149,000	140,900	8,200	5.5
Riverside County	1,052,400	988,100	64,300	6.1
State of California	19,044,500	18,002,800	1,041,700	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
City of Riverside	151,300	144,200	7,100	4.7
Riverside County	1,073,400	1,017,100	56,300	5.2
State of California	19,205,300	18,285,500	919,800	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
City of Riverside	154,000	148,100	5,900	3.8
Riverside County	1,092,400	1,044,600	47,800	4.4
State of California	19,398,200	18,582,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2018 Benchmark.

Industry

The following table summarizes the average annual industry employment in the County from 2014 through 2018.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES
2014 through 2018
Riverside County

Type of Employment	2014	2015	2016	2017	2018
Total Farm	14,400	14,800	14,600	14,500	14,500
Mining and Logging	1,300	1,300	900	1,000	1,200
Construction	77,600	85,700	92,000	97,400	104,800
Manufacturing	91,400	96,200	98,700	99,200	101,300
Transportation, Warehousing and Utilities	87,100	98,100	108,000	122,100	132,600
Wholesale Trade	58,100	60,500	61,600	62,600	64,900
Retail Trade	169,600	174,400	178,300	180,900	180,800
Information	11,300	11,400	11,500	11,300	11,200
Financial Activities	42,900	44,000	44,600	44,200	43,700
Professional and Business Services	138,700	147,400	144,900	146,900	150,600
Educational and Health Services	195,900	206,300	215,700	226,700	240,000
Leisure and Hospitality	144,800	151,700	160,200	166,300	170,000
Other Services	43,000	44,000	44,600	45,400	45,600
Government	228,800	233,300	242,300	251,000	257,500
Total All Industries	1,304,800	1,369,100	1,417,900	1,469,400	1,518,700

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment, March 2018 Benchmark.

Principal Employers

The following tables list the principal employers located in the City and the County.

PRINCIPAL EMPLOYERS
as of June 30, 2018
City of Riverside

Employer Name	Employees
County of Riverside	11,865
University of California, Riverside	8,686
Riverside Unified School District	4,000
Kaiser	3,484
City of Riverside	2,504
California Baptist University	2,285
Riverside Community Hospital	2,200
Alvord Unified School District	1,800
UTC Aerospace Systems	1,200
Parkview Community Hospital	897

Source: "Comprehensive Annual Financial Report" of the City of Riverside, California for fiscal year ended June 30, 2018.

PRINCIPAL EMPLOYERS
as of June 30, 2018
Riverside County

Employer Name	Employees
County of Riverside	22,038
March Air Reserve Base	9,000
University of California, Riverside	8,829
Kaiser Permanente Riverside Med. Center	5,500
Corona-Norco Unified School District	5,478
Pechanga Resort & Casino	4,750
Riverside Unified School District	4,200
Hemet Unified School District	4,058
Riverside University Health Systems Medical Center	3,965
Morongo Casino, Resort & Spa	3,800

Source: "Comprehensive Annual Financial Report" of Riverside County, California for fiscal year ended June 30, 2018.

Commercial Activity

Summaries of annual taxable sales for the City and the County from 2015 through 2018 are shown in the following tables.

ANNUAL TAXABLE SALES
2015 through 2018
City of Riverside
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2015	6,320	$4,028,227	9,309	$5,371,364
2016	6,592	4,091,744	9,375	5,507,805
2017	6,572	4,133,645	9,737	5,534,192
2018	6,582	4,298,361	10,021	5,783,569

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2015 through 2018
Riverside County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2015	37,304	$23,537,475	55,587	$33,166,660
2016	38,378	24,274,686	57,742	34,483,694
2017	38,967	25,856,341	58,969	36,407,460
2018	39,577	28,042,692	61,433	38,919,498

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2014 through 2018 for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
City of Riverside
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$80,367	$86,166	$80,222	$120,079	$109,885
Non-Residential	70,046	124,254	148,267	162,197	173,304
Total	$150,413	$210,420	$228,489	$282,276	$283,189
Units					
Single Family	230	222	219	172	171
Multiple Family	85	224	254	535	504
Total	315	446	473	707	675

Note: Totals may not add to sum because of rounding. Data for 2018 is not yet available.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
Riverside County
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$1,621,751	$1,536,742	$1,759,535	$1,903,417	$2,558,081
Non-Residential	814,990	911,465	1,346,020	1,443,691	1,959,680
Total	$2,436,741	$2,448,207	$3,105,555	$3,337,108	$4,517,761
Units					
Single Family	5,007	5,007	5,662	6,265	7,540
Multiple Family	1,931	1,189	1,039	1,070	1,628
Total	6,938	6,196	6,701	7,335	9,168

Note: Totals may not add to sum because of rounding. Data for 2018 is not yet available.
Source: Construction Industry Research Board.

APPENDIX E

RIVERSIDE COUNTY TREASURY POOL

The following information concerning the Riverside County Pooled Investment Fund (the "Investment Pool") has been provided by the Treasurer, and has not been confirmed or verified by the District Municipal Advisor or the Underwriter. The District, Municipal Advisor and the Underwriter have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, none of the District, Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at https://www.countytreasurer.org/; however, the information presented on such website is not incorporated herein by any reference.

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County of Riverside

Treasurer's Pooled Investment Fund

September 2019

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3 | Economy

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9 | Month End Holdings

Federal Reserve Chair Jerome Powell during the September 18 FOMC press conference. Digital Image. *Federal Reserve Board*. https://www.youtube.com/user/FedReserveBoard

Treasurer's Pooled Investment Fund

Monthly Commentary

An Abundance of Uncertainty

News of the Federal Reserve (FED) rate cut in September was pushed to the back pages as geopolitical events and domestic politics dominated headlines. The 2-year Treasury was 1.63% at month end, the lowest since October 2017. Back then, three straight quarters of above 3% real GDP growth and tax reform fostered expectations for higher rates. Growth of real GDP fell to 2% in 2Q19. Now, investors expect slower economic growth to lead to more rate cuts.

The FED cut rates in September, while in the Middle East a drone attack on Saudi Arabia caused one of the world's largest oil processing facilities to shut down. According to Saudi Aramco, the closure impacted about 5% of the world's daily oil production, but is estimated to be fully restored by the end of September.

Europe continues to lead to a messy divorce as the U.K's Brexit deadline approaches on October 31, and riots in Hong Kong continue to disrupt the trading hub, crimping long-term investment decisions.

On the U.S.-China trade front, additional tariffs took effect in September, and more are expected on December 15. Talks, however, are scheduled to resume on October 10. September was capped off with a political firestorm over the Ukrainian 'presidential phone call' scandal.

Empowered by a tight labor market and low inflation, consumers were able to shake off tariff-related concerns to keep consumer spending in expansionary territory in August. The rate of nonfarm payrolls continued to slow down in August from 2018 levels, adding 130k jobs. However, initial jobless claims and the unemployment rate suggest that the labor market remains at its tightest in half a century.

Industrial data for August was mixed. On one hand, the FED's industrial production index beat consensus expectations for production, manufacturing, and capacity utilization. On the other, the PMI manufacturing index showed flat growth, highlighted by a 10-year low in export orders, while the ISM manufacturing index showed the sector contracted in August.

Data published in September suggest that the national housing market remains firm. The number of new home sales in August brought the three-month average up to 703k, the highest since October 2007. Existing home sales grew at an annual pace of 5.490 million, the best showing of 2019. Nationwide, home price growth continued to trend down towards 2.0% Y/Y in July. In Riverside County, data from CoreLogic shows house prices grew 3.9% Y/Y in August, up from 3.4% Y/Y in July.

In the Eurozone, manufacturing activity could be a canary in the coalmine for an impending recession. Eurozone manufacturing PMI data fell from 47.0 in July to 45.6 in August, the steepest contraction since October 2012.

Confronted with low inflation and softness in job growth, exports, fixed income investment, manufacturing activity, and global economic growth, Federal Reserve (FED) officials elected to cut rates to 1.75-2.00% on September 18. FED officials are likely to cut rates by another 25bps before the end of the year to help stave off a recession.

The Treasury bond market saw yields rise slightly in September, as investors eased off a bit on further rate cut expectations. The 2-year treasury began the month with a yield of 1.47% and ended at 1.63%. The 5-year treasury began the month with a yield of 1.35% and ended at 1.55%. The FED cut short-term interest rates by 25 bps. The inversion of the Treasury yield curve continued, with the 3-month Treasury bill (1.88%) out-yielding the 10-year Treasury note (1.68%) by 20 basis points.

Jon Christensen

Treasurer-Tax Collector

Treasurer's Statement

The Treasurer's Pooled Investment Fund is comprised of contributions from the county, schools, special districts, and other discretionary depositors throughout the County of Riverside. The primary objective of the treasurer shall be to **safeguard the principal** of the funds under the Treasurer's control, meet the **liquidity needs** of the depositor, and to maximize a **return on the funds** within the given parameters.

The Treasurer-Tax Collector and the Capital Markets team are committed to maintaining the highest credit ratings. The Treasurer's Pooled Investment Fund is currently rated **Aaa-bf** by **Moody's Investor Service** and **AAAf/S1** by **Fitch Ratings,** two of the nation's most trusted bond credit rating services.

Since its inception, the Treasurer's Pooled Investment Fund has been in **full compliance** with the Treasurer's Statement of Investment Policy, which is more restrictive than California Government Code 53646.

Capital Markets Team

Jon Christensen
Treasurer-Tax Collector

Giovane Pizano
Chief Investment Manager

Steve Faeth
Senior Investment Manager

Isela Licea
Assistant Investment Manager

Jake Nieto
Administrative Services Analyst

6-Month Pool Performance

	Month End Market Value ($)*	Month End Book Value ($)	Paper Gain or Loss ($)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
Sep-19	6,351,986,977.01	6,333,085,946.48	18,901,030.53	0.30%	2.13	1.10
Aug-19	6,417,639,034.28	6,389,269,000.29	28,370,033.99	0.44%	2.23	1.13
Jul-19	6,570,927,735.30	6,550,099,863.71	20,827,871.59	0.32%	2.29	1.13
Jun-19	6,838,812,308.82	6,811,213,591.28	27,598,717.54	0.41%	2.32	1.06
May-19	7,583,793,753.68	7,563,023,912.99	20,769,840.69	0.27%	2.35	1.09
Apr-19	8,177,376,431.91	8,168,198,799.92	9,177,631.99	0.11%	2.36	1.09

*Market values do not include accrued interest.

Economy

National Economy

The U.S. labor market remains tight as real average hourly earnings climb higher and unemployment insurance claims stay at the lowest in half a century. [FRED; 10/08/2019]

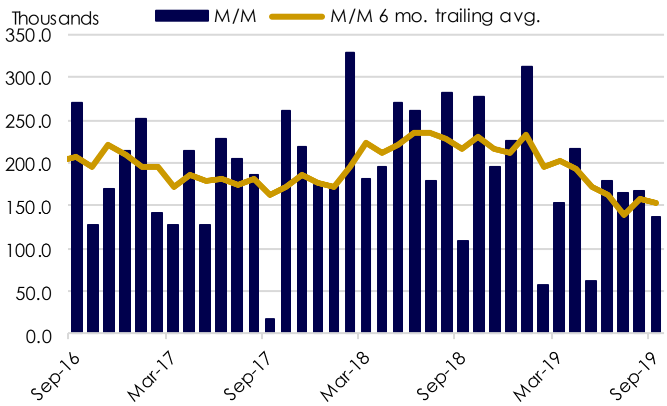
- Job growth has slowed down this year. Through the first eight months, nonfarm payroll growth fell from 234k per month in 2018 to 164k per month in 2019. [FRED; 10/08/2019]
- Despite vehicle sales trending above 17mn in August, growth in durable goods orders was flat Y/Y, indicating an overall slowdown in manufacturing. [FRED; 10/08/2019]

State Economy

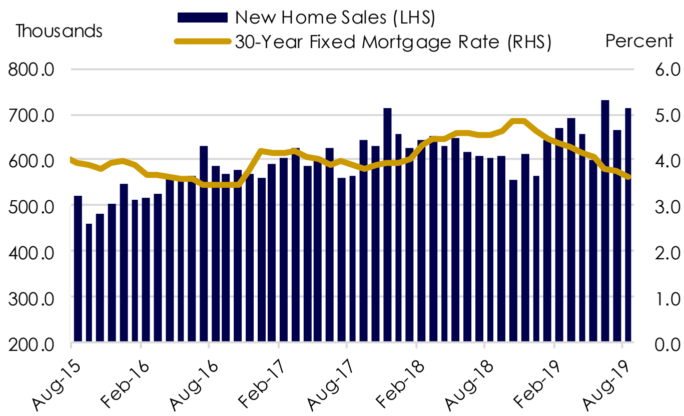
California's unemployment rate fell to 4.1% in August, the lowest since data was made available in 1976. [FRED; 10/08/2019]

- Job growth in CA and the Inland Empire grew around 2.0% Y/Y in August, mirroring national trends. [FRED; 10/08/2019]
- Despite lower mortgage rates, home sales in Southern California were the lowest since 2015 and home prices were unmoved Y/Y in August. [LA Times; 10/08/2019].
- CA has "fallen behind in home production relative to population growth and future needs." [UCLA Anderson; 10/09/2019]

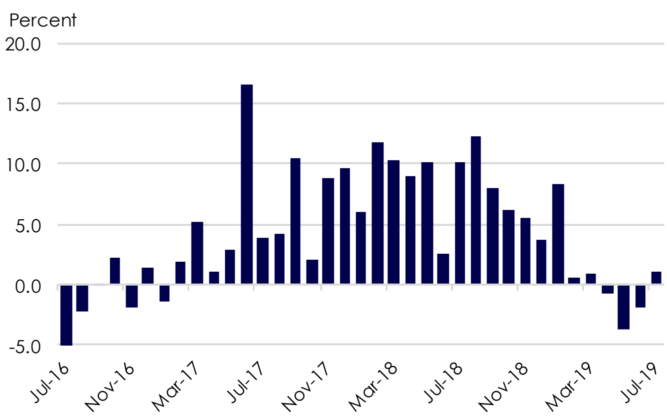
U.S. Nonfarm Payrolls



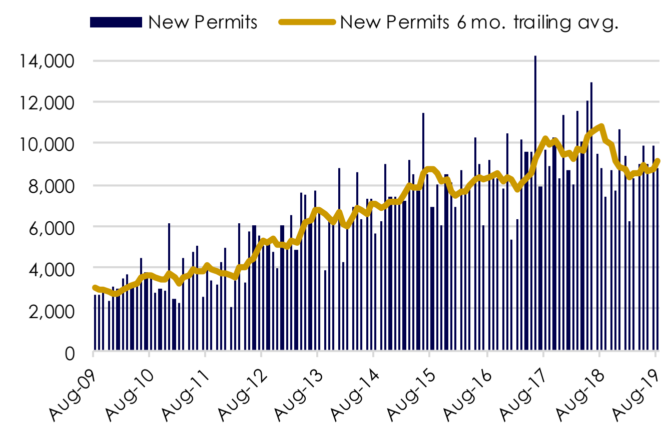
U.S. New Home Sales SAAR



U.S. Durable Goods Orders Y/Y



CA Monthly New Residential Building Permits



Key Economic Indicators

Release Date	Indicator	Actual	Consensus	Prior Year
09/26/2019	Real GDP - Q/Q Change - SAAR - 2Q19 (3rd estimate)	**2.0%**	2.0%	3.5%
09/06/2019	Unemployment Rate - Seasonally Adjusted	**3.7%**	3.7%	3.8%
09/06/2019	Non-Farm Payrolls - M/M Change - Thousands	**130**	163	282
09/12/2019	CPI - Y/Y Change	**1.7%**	1.7%	2.7%
09/12/2019	CPI Ex Food and Energy - Y/Y Change	**2.4%**	2.3%	2.2%
09/05/2019	ISM Non-Manufacturing Index (> 50 indicates growth)	**56.4**	54.0	58.8
09/25/2019	New Home Sales - SAAR - Thousands	**713**	662	604
09/05/2019	Factory Orders - M/M Change	**1.4%**	1.0%	-0.3%
09/27/2019	Durable Goods Orders - New Orders - M/M Change	**0.2%**	-1.2%	4.2%

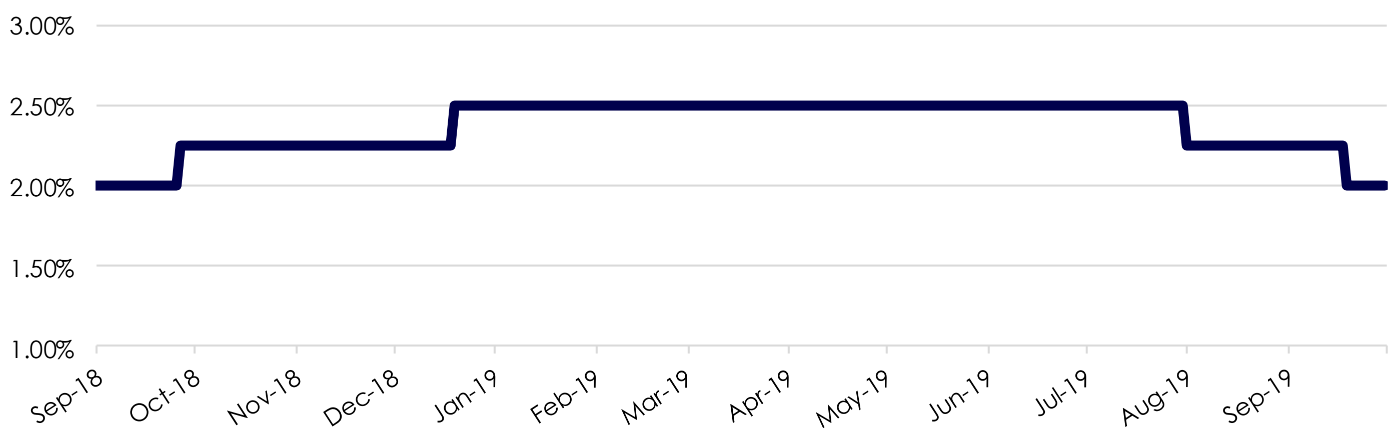
*Note: 'Prior Year' displays final estimates of indicator values from the equivalent period of the prior year.

Market Data

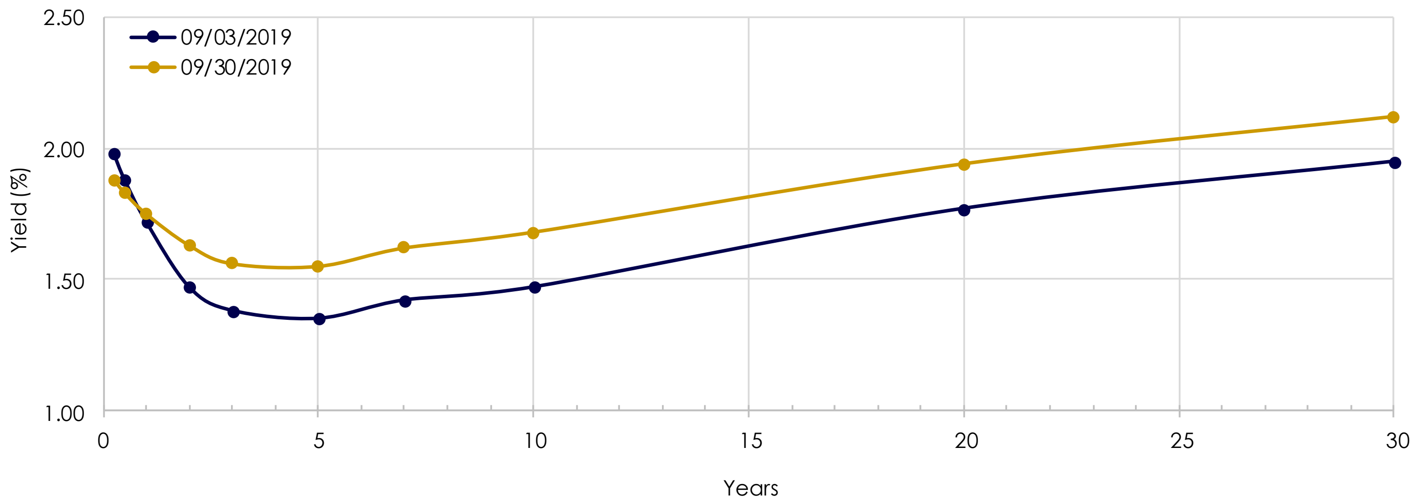
FOMC Meeting 09/18/2019

- The FOMC stated that data received since their last meeting in July "indicates that the labor market remains strong and that economic activity has been rising at a moderate rate."
- The Federal Open Market Committee lowered the Fed Funds Target Rate to 1.75—2.00% from 2.00—2.25%.
- The FOMC stated in their September 18 press release that "sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective as the most likely outcomes, but uncertainties about this outlook remain."

Fed Funds Target Rate (Upper Limit)



U.S. Treasury Curve

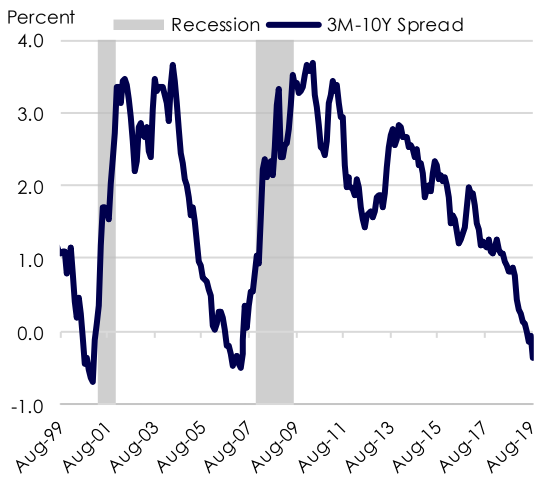


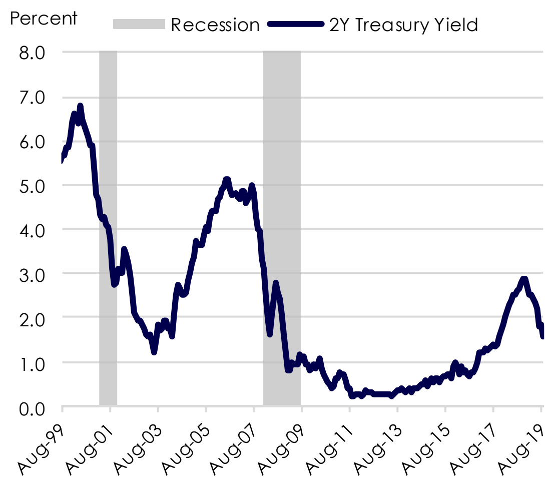
Treasury Curve Differentials	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
09/30/2019 - 09/03/2019	-0.10	-0.05	0.03	0.16	0.18	0.20	0.21	0.17
09/30/2019	1.88	1.83	1.75	1.63	1.56	1.55	1.68	2.12
09/03/2019	1.98	1.88	1.72	1.47	1.38	1.35	1.47	1.95

The US Treasury Curve and its values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

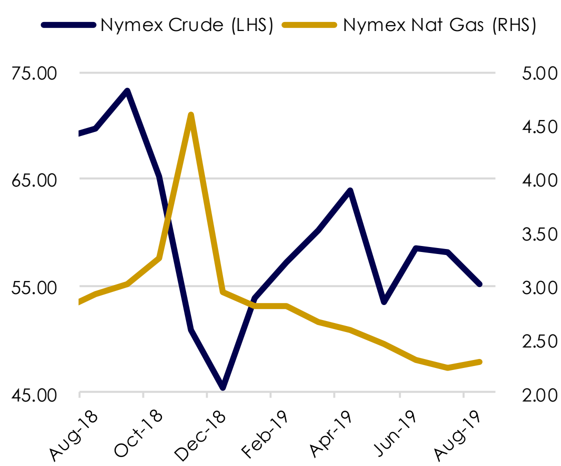
U.S. Treasuries

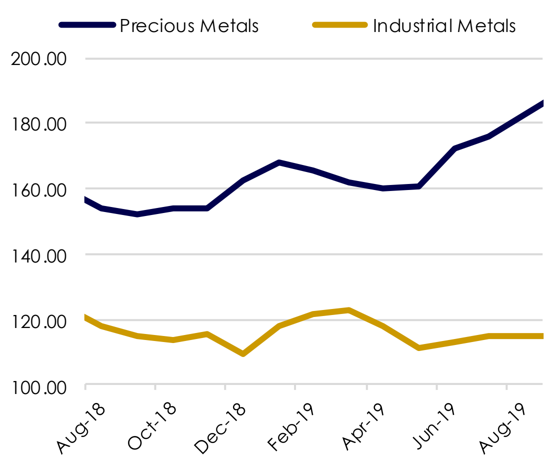




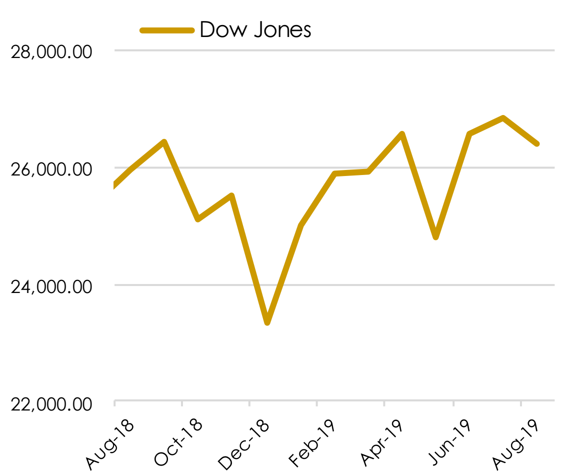
*Note: Shaded areas indicate U.S. recessions.

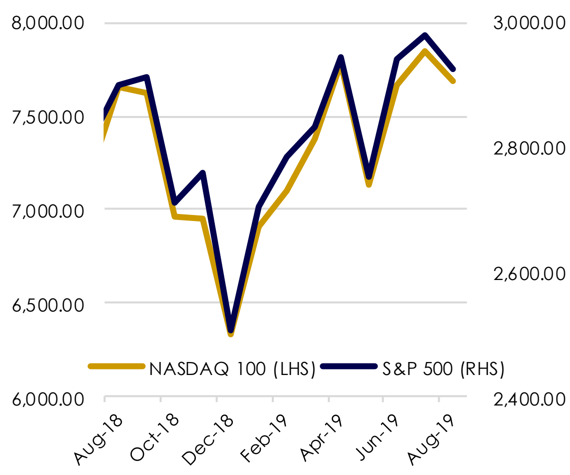
Commodities





Stocks





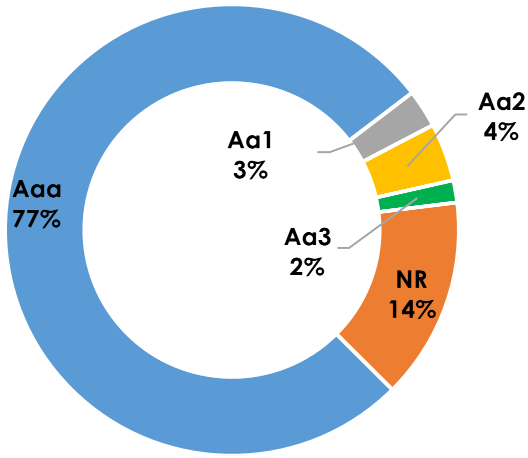
* Values listed for commodities and stocks are in US dollars and are as of the final business day of each month.

Portfolio Data

The County of Riverside's Treasurer's Pooled Investment Fund is currently rated **AAA-bf** by **Moody's Investor Service** and **AAAf/S1** by **Fitch Ratings**.

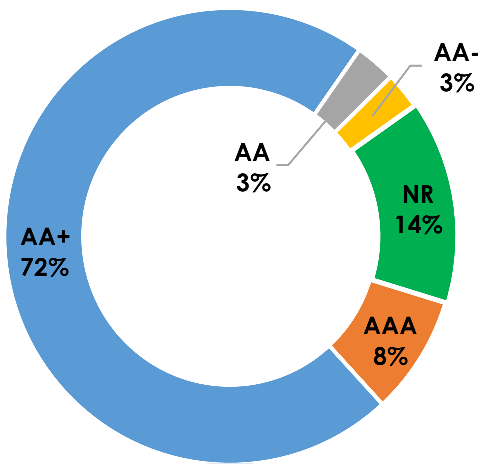
Moody's Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
Aaa	4,882,583.56	100.31%	77.06%	2.09%
Aa1	171,944.05	100.53%	2.72%	2.27%
Aa2	262,517.51	100.73%	4.15%	2.36%
Aa3	101,056.12	100.00%	1.60%	2.80%
NR	915,084.70	100.08%	14.47%	2.20%
Totals:	**6,333,185.95**	**100.30%**	**100.00%**	**2.13%**



S&P Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
AAA	533,641.31	100.42%	8.43%	2.08%
AA+	4,535,693.68	100.31%	71.62%	2.10%
AA	184,788.40	100.99%	2.92%	2.53%
AA-	163,877.86	100.04%	2.59%	2.49%
NR	915,084.70	100.08%	14.45%	2.20%
Totals:	**6,333,085.95**	**100.30%**	**100.00%**	**2.13%**



12-Month Projected Cash Flow

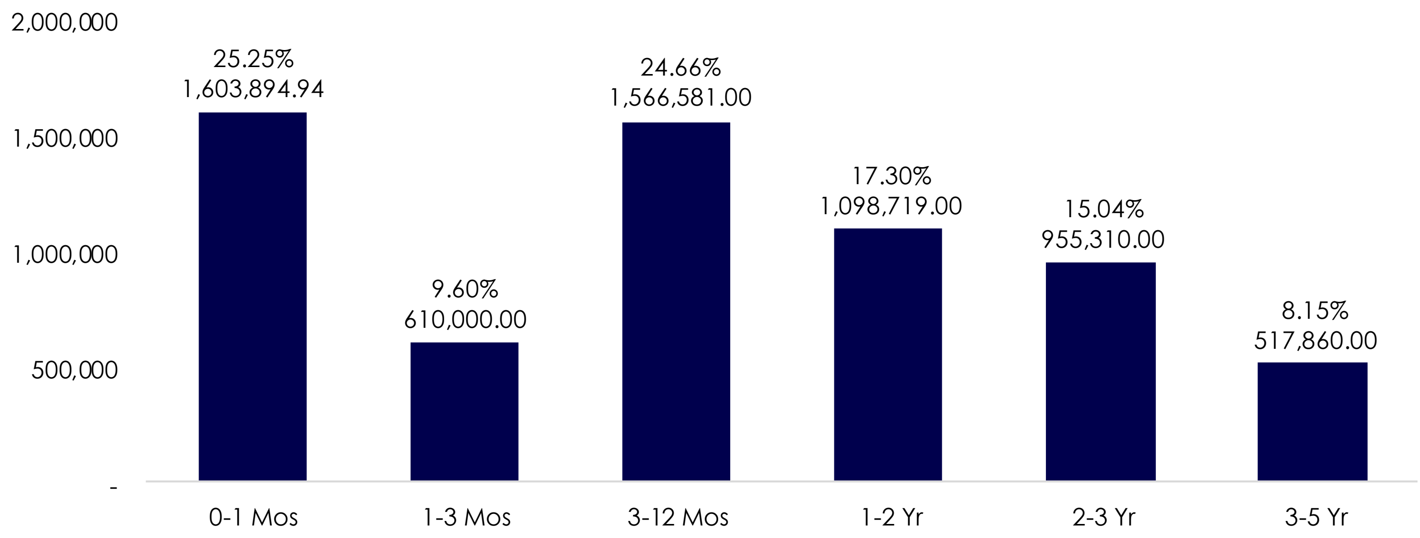
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
10/2019					70.99		
10/2019	1,100.00	1,300.00	(200.00)	129.01	-	1,703.89	
11/2019	1,300.00	1,200.00	100.00		100.00	490.00	
12/2019	2,375.13	1,200.00	1,175.13		1,275.13	20.00	
01/2020	1,100.00	2,200.00	(1,100.00)		175.13	640.75	
02/2020	1,100.00	1,500.00	(400.00)	224.87	-	140.33	
03/2020	1,350.00	1,200.00	150.00		150.00	108.29	
04/2020	1,350.00	1,200.00	150.00		300.00	170.65	
05/2020	1,700.00	1,700.00	-		300.00	87.66	
06/2020	1,000.00	1,736.13	(736.13)	436.13	-	80.43	
07/2020	1,177.22	1,435.00	(257.78)	257.78	-	106.83	
08/2020	1,000.00	1,300.00	(300.00)	300.00	-	106.65	
09/2020	1,030.00	1,300.00	(270.00)	270.00	-	140.00	
TOTALS	15,582.35	17,271.13	(1,688.78)	1,617.79	2,371.25	3,795.48	4,715.30
				25.55%		59.93%	74.45%

* Values listed in Cash Flow Table are in millions of USD.

Based on historic and current financial conditions within the County, the Pool is expected to maintain sufficient liquidity of funds to cover County expenses for the next twelve months.

Portfolio Data cont'd

Asset Maturity Distribution (Par Value, 000's)

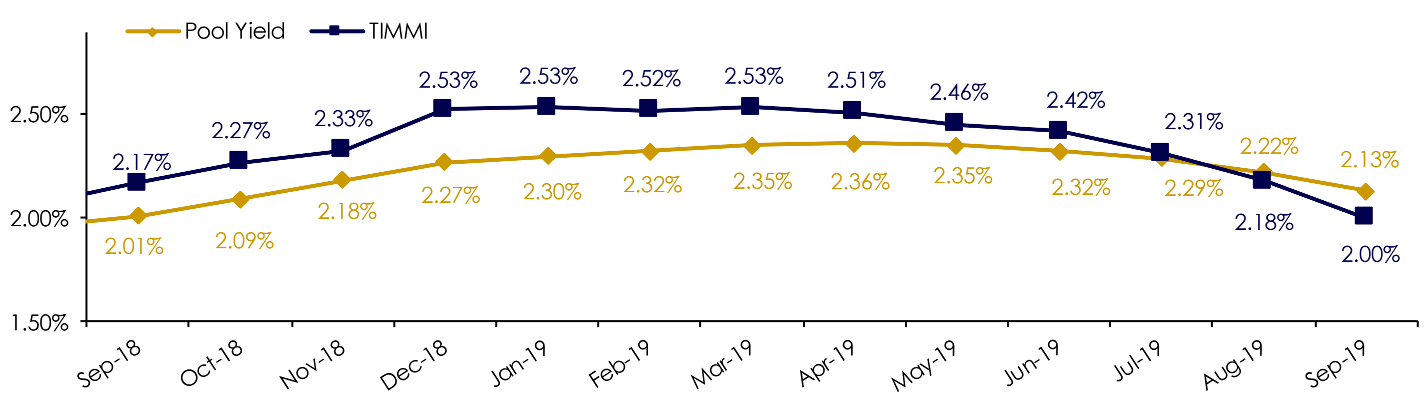


Asset Allocation (000's)

Assets	Scheduled Book	Scheduled Market	Mkt/Book	Yield	WAL (Yr.)	Mat (Yr.)
TREAS	450,553.39	454,185.05	100.81%	2.41%	0.34	0.34
AGENCIES	3,713,946.71	3,723,203.97	100.25%	2.06%	1.08	1.71
MMKT	383,000.00	383,000.00	100.00%	1.92%	0.00	0.00
CASH	760,000.00	760,000.00	100.00%	2.17%	0.00	0.00
CALTRUST FND	4,023.98	4,023.98	100.00%	2.27%	0.00	0.00
COMM PAPER	670,020.85	673,322.34	100.49%	2.14%	0.18	0.18
NCDS	-	-	0.00%	0.00%	-	-
MEDIUM TERM NOTES	184,951.53	187,662.14	101.47%	2.65%	0.58	0.61
MUNI	166,509.50	166,509.50	100.00%	2.58%	1.47	1.47
LOCAL AGCY OBLIG	80.00	80.00	100.00%	2.73%	0.71	0.71
Totals:	**6,333,085.95**	**6,351,986.98**	**100.30%**	**2.13%**	**0.73**	**1.10**

* For details on the Pool's composition see Month End Portfolio Holdings, pages 9 to 13.

TIMMI



The Treasurer's Institutional Money Market Index (TIMMI) is a composite index of four AAA rated prime institutional money market funds. Their average yield is compared to the yield of the Treasurer's Pooled Investment Fund in the above graph.

Compliance Report

Compliance Status: Full Compliance

The Treasurer's Pooled Investment Fund was in full compliance with the County of Riverside's Treasurer's Statement of Investment Policy. The County's Statement of Investment Policy is more restrictive than California Government Code 53646. The County's Investment Policy is reviewed annually by the County of Riverside's Oversight Committee and approved by the Board of Supervisors.

	GOVERNMENT CODE			COUNTY INVESTMENT POLICY			
Investment Category	Maximum Remaining Maturity	Authorized % Limit	S&P/ Moody's	Maximum Remaining Maturity	Authorized % Limit	S&P/ Moody's	Actual %
MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA	4 YEARS	15%	AA-/Aa3/AA-	**2.63%**
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	**7.11%**
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA	3 YEARS	2.50%	INVESTMENT GRADE	**<0.01%**
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	100%	NA	**58.64%**
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	**10.58%**
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	**0.00%**
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INT'L FINANCE CORPORATION	NA	NA	NA	4 YEARS	20%	AA/Aa/AA	**0.00%**
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7 days	A1/P1/F1	**0.00%**
REVERSE REPOS	92 DAYS	20%	NA	60 DAYS	10%	NA	**0.00%**
MEDIUM TERM NOTES (MTNO)	5 YEARS	30%	A	3 YEARS	20%	AA/Aa2/AA	**2.92%**
CALTRUST SHORT TERM FUND	NA	NA	NA	DAILY LIQUIDITY	1.00%	NA	**0.06%**
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS(1)	20%	AAA/Aaa (2)	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	**6.05%**
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	DAILY LIQUIDITY	Max $50 million	NA	**0.00%**
CASH/DEPOSIT ACCOUNT	NA	NA	NA	NA	NA	NA	**12.00%**

[1] Money Market Mutual Funds maturity may be interpreted as a weighted average maturity not exceeding 60 days.

[2] Or must have an investment advisor with no fewer than 5 years experience and with assets under management of $500,000,000 USD.

THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646.

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
Fund: 1 POOL FUND											
1060: MMKT ACCTS-A/365-6											
FRGXX	FIDELITY GOV	10/01/2019	1.955	1.955	169,000,000.00	169,000,000.00	100.000000	169,000,000.00	0.00	.003	.003
GOFXX	FEDERATED GOV	10/01/2019	1.885	1.885	131,000,000.00	131,000,000.00	100.000000	131,000,000.00	0.00	.003	.003
WFFXX	WELLS FARGO GOV	10/01/2019	1.901	1.901	77,000,000.00	77,000,000.00	100.000000	77,000,000.00	0.00	.003	.003
FGTXX	GOLDMAN SACHS GOV	10/01/2019	1.830	1.830	6,000,000.00	6,000,000.00	100.000000	6,000,000.00	0.00	.003	.003
			1.918	**1.918**	**383,000,000.00**	**383,000,000.00**	**100.000000**	**383,000,000.00**	**0.00**	**.003**	**.003**
1065: CLTR-A/365-6											
CLTR	CALTRUST SHT TERM FUND	10/01/2019	2.280	2.268	4,015,944.14	4,023,976.03	100.200000	4,023,976.03	0.00	.003	.003
			2.280	**2.268**	**4,015,944.14**	**4,023,976.03**	**100.200000**	**4,023,976.03**	**0.00**	**.003**	**.003**
1080: MGD RATE-A/365-6											
CASH	BANK OF THE WEST	10/01/2019	2.190	2.190	300,000,000.00	300,000,000.00	100.000000	300,000,000.00	0.00	.003	.003
			2.190	**2.190**	**300,000,000.00**	**300,000,000.00**	**100.000000**	**300,000,000.00**	**0.00**	**.003**	**.003**
1170: MGD RATE-A/360											
CASH	PACIFIC PREMIER BANK	10/01/2019	2.090	2.090	40,000,000.00	40,000,000.00	100.000000	40,000,000.00	0.00	.003	.003
CASH	FIRST REPUBLIC BANK	10/01/2019	2.200	2.200	300,000,000.00	300,000,000.00	100.000000	300,000,000.00	0.00	.003	.003
CASH	UB MANAGED RATE	10/01/2019	2.090	2.090	120,000,000.00	120,000,000.00	100.000000	120,000,000.00	0.00	.003	.003
			2.162	**2.162**	**460,000,000.00**	**460,000,000.00**	**100.000000**	**460,000,000.00**	**0.00**	**.003**	**.003**
1175: LAO-SINKING FND-A/360											
LAO	US DIST COURTHOUSE	06/15/2020	2.727	2.727	80,000.00	80,000.00	100.000000	80,000.00	0.00	.198	.710
			2.727	**2.727**	**80,000.00**	**80,000.00**	**100.000000**	**80,000.00**	**0.00**	**.198**	**.710**
1300: U.S. TREASURY BILL											
912796TC3	U.S. TREASURY BILL	01/23/2020	2.022	2.042	25,000,000.00	24,744,504.86	99.432000	24,858,000.00	113,495.14	.309	.315
912796TE9	U.S. TREASURY BILL	02/06/2020	1.951	1.970	25,000,000.00	24,753,415.28	99.363000	24,840,750.00	87,334.72	.346	.353
			1.986	**2.006**	**50,000,000.00**	**49,497,920.14**	**99.397500**	**49,698,750.00**	**200,829.86**	**.327**	**.334**
1310: U.S. TREASURY BOND											
912828U32	U.S. TREASURY BOND	11/15/2019	1.000	2.628	75,000,000.00	73,939,453.13	99.871000	74,903,250.00	963,796.87	.124	.126
912828TV2	U.S. TREASURY BOND	10/31/2019	1.250	2.606	50,000,000.00	49,449,218.75	99.931000	49,965,500.00	516,281.25	.084	.085
912828F62	U.S. TREASURY BOND	10/31/2019	1.500	2.557	50,000,000.00	49,611,328.13	99.951000	49,975,500.00	364,171.87	.084	.085
912828T59	U.S. TREASURY BOND	10/15/2019	1.000	2.529	45,000,000.00	44,569,335.94	99.958000	44,981,100.00	411,764.06	.041	.041
912828U32	U.S. TREASURY BOND	11/15/2019	1.000	2.534	40,000,000.00	39,565,625.00	99.871000	39,948,400.00	382,775.00	.124	.126
912828U32	U.S. TREASURY BOND	11/15/2019	1.000	2.524	35,000,000.00	34,652,734.38	99.871000	34,954,850.00	302,115.62	.124	.126
912828UL2	U.S. TREASURY BOND	01/31/2020	1.375	2.462	50,000,000.00	49,539,062.50	99.813000	49,906,500.00	367,437.50	.333	.337
912828W63	U.S. TREASURY BOND	03/15/2020	1.625	2.449	15,000,000.00	14,889,257.81	99.887000	14,983,050.00	93,792.19	.452	.458
912828YC8	U.S. TREASURY BOND	08/31/2021	1.500	1.601	15,000,000.00	14,970,703.13	99.707000	14,956,050.00	-14,653.13	1.879	1.921
912828YC8	U.S. TREASURY BOND	08/31/2021	1.500	1.727	15,000,000.00	14,934,960.94	99.707000	14,956,050.00	21,089.06	1.878	1.921
912828YC8	U.S. TREASURY BOND	08/31/2021	1.500	1.731	15,000,000.00	14,933,789.06	99.707000	14,956,050.00	22,260.94	1.878	1.921
			1.218	**2.456**	**405,000,000.00**	**401,055,468.77**	**99.873160**	**404,486,300.00**	**3,430,831.23**	**.337**	**.344**
1400: FHLMC-DISC NOTE											
313396RP0	FHLMC DISC NTE	01/09/2020	1.860	1.875	40,000,000.00	39,749,530.00	99.486000	39,794,400.00	44,870.00	.271	.277
			1.860	**1.875**	**40,000,000.00**	**39,749,530.00**	**99.486000**	**39,794,400.00**	**44,870.00**	**.271**	**.277**
1420: FHLMC-Fxd-Q 30/360											
3134GTFF5	FHLMC 1YrNc9MoE	04/08/2020	2.460	2.475	25,000,000.00	24,996,250.00	100.140000	25,035,000.00	38,750.00	.514	.523
			2.460	**2.475**	**25,000,000.00**	**24,996,250.00**	**100.140000**	**25,035,000.00**	**38,750.00**	**.514**	**.523**
1425: FHLMC-Fxd-S 30/360											
3134G8TG4	FHLMC 3.5YrNc6MoE	10/11/2019	1.500	1.500	15,000,000.00	15,000,000.00	99.981000	14,997,150.00	-2,850.00	.030	.030
3134GABZ6	FHLMC 3.5YrNc1YrE	02/25/2020	1.250	1.250	10,000,000.00	10,000,000.00	99.738000	9,973,800.00	-26,200.00	.403	.405
3134GAVF8	FHLMC 3.5YrNc1YrE	05/08/2020	1.200	1.200	15,000,000.00	15,000,000.00	99.593000	14,938,950.00	-61,050.00	.599	.605
3134GAXZ2	FHLMC 4YrNc6MoE	11/25/2020	1.370	1.370	25,000,000.00	25,000,000.00	99.501000	24,875,250.00	-124,750.00	1.135	1.156
3134GAYK4	FHLMC 4YrNc1YrE	11/30/2020	1.440	1.440	10,000,000.00	10,000,000.00	99.578000	9,957,800.00	-42,200.00	1.148	1.170
3134GBK35	FHLMC 3YrNc3MoB	09/29/2020	1.800	1.800	15,000,000.00	15,000,000.00	99.874000	14,981,100.00	-18,900.00	.984	1.000
3137EAEE5	FHLMC 2.75Yr	01/17/2020	1.500	1.602	25,000,000.00	24,942,750.00	99.878000	24,969,500.00	26,750.00	.296	.299
3134GBTX0	FHLMC 2.75YrNc2MoB	06/29/2020	1.750	1.780	20,000,000.00	19,983,860.00	99.827000	19,965,400.00	-18,460.00	.736	.748
3134G9W37	FHLMC 2.5YrNc3MoB	08/10/2020	1.450	2.421	10,000,000.00	9,769,000.00	99.665000	9,966,500.00	197,500.00	.847	.863
3134GSMF9	FHLMC 5YrNc3YrE	05/26/2023	3.000	3.000	15,000,000.00	15,000,000.00	101.805000	15,270,750.00	270,750.00	3.404	3.655
3134GSQL2	FHLMC 5YrNc2YrE	06/29/2023	3.100	3.100	5,000,000.00	5,000,000.00	100.971000	5,048,550.00	48,550.00	3.486	3.748
3134GSB53	FHLMC 3YrNc1YrE	10/29/2021	3.100	3.100	5,000,000.00	5,000,000.00	100.097000	5,004,850.00	4,850.00	1.975	2.082
3134GSA96	FHLMC 3YrNc1YrE	11/15/2021	3.150	3.150	10,000,000.00	10,000,000.00	100.153000	10,015,300.00	15,300.00	2.017	2.129
3134GSA96	FHLMC 3YrNc1YrE	11/15/2021	3.150	3.150	5,000,000.00	5,000,000.00	100.153000	5,007,650.00	7,650.00	2.017	2.129
3134GSA96	FHLMC 3YrNc1YrE	11/15/2021	3.150	3.150	5,000,000.00	5,000,000.00	100.153000	5,007,650.00	7,650.00	2.017	2.129
3134GSD44	FHLMC 3YrNc1YrE	11/26/2021	3.150	3.150	25,000,000.00	25,000,000.00	100.196000	25,049,000.00	49,000.00	2.047	2.159
3134GSC45	FHLMC 3YrNc1YrE	11/26/2021	3.160	3.160	10,000,000.00	10,000,000.00	100.201000	10,020,100.00	20,100.00	2.047	2.159
3134GBXV9	FHLMC 1.6YrNc1Yr	07/13/2020	1.850	2.870	15,000,000.00	14,758,950.00	99.953000	14,992,950.00	234,000.00	.770	.786
3134GTCP6	FHLMC 3.5YrNc6MoQ	10/17/2022	2.625	2.625	25,000,000.00	25,000,000.00	100.025000	25,006,250.00	6,250.00	2.876	3.049
3134GTHV8	FHLMC 5YrNc6MoE	04/22/2024	2.570	2.570	15,000,000.00	15,000,000.00	100.037000	15,005,550.00	5,550.00	4.231	4.564
3134GTHH9	FHLMC 2.75YrNc9MoE	01/24/2022	2.500	2.500	5,000,000.00	5,000,000.00	100.196000	5,009,800.00	9,800.00	2.240	2.321
3134GTEB5	FHLMC 5YrNc1YrE	04/24/2024	2.625	2.625	15,000,000.00	15,000,000.00	100.407000	15,061,050.00	61,050.00	4.230	4.570
3134GTGX5	FHLMC 5YrNc1YrE	04/24/2024	2.610	2.610	15,000,000.00	15,000,000.00	100.383000	15,057,450.00	57,450.00	4.231	4.570
3134GTGX5	FHLMC 5YrNc1YrE	04/24/2024	2.610	2.610	15,000,000.00	15,000,000.00	100.383000	15,057,450.00	57,450.00	4.231	4.570
3134GTKG7	FHLMC 5YrNc2YrB	05/03/2024	2.600	2.600	10,000,000.00	10,000,000.00	101.221000	10,122,100.00	122,100.00	4.257	4.595
3134GTSF1	FHLMC 3YrNc1YrE	06/10/2022	2.400	2.400	5,000,000.00	5,000,000.00	100.273000	5,013,650.00	13,650.00	2.576	2.696
3134GTTX1	FHLMC 5YrNc6MoE	06/20/2024	2.250	2.250	15,000,000.00	15,000,000.00	100.056000	15,008,400.00	8,400.00	4.429	4.726
3134GTYT4	FHLMC 1YrNc1YrE	07/01/2024	2.125	2.125	15,000,000.00	15,000,000.00	100.192000	15,028,800.00	28,800.00	4.475	4.756
3134GTYT4	FHLMC 1YrNc1YrE	07/01/2024	2.125	2.125	15,000,000.00	15,000,000.00	100.192000	15,028,800.00	28,800.00	4.475	4.756
3134GTYS6	FHLMC 3YrNc1YrE	07/01/2022	2.000	2.000	15,000,000.00	15,000,000.00	100.180000	15,027,000.00	27,000.00	2.653	2.753
3134GTYP2	FHLMC 2.75YrNc9MoE	04/01/2022	2.000	2.000	15,000,000.00	15,000,000.00	100.045000	15,006,750.00	6,750.00	2.417	2.504
3134GTYT4	FHLMC 5YrNc1YrE	07/01/2024	2.125	2.125	15,000,000.00	15,000,000.00	100.192000	15,028,800.00	28,800.00	4.475	4.756
3134GTZD8	FHLMC 2YrNc3MoQ	07/08/2021	2.300	2.300	15,000,000.00	15,000,000.00	100.003000	15,000,450.00	450.00	1.719	1.773
3134GTXJ7	FHLMC 5YrNc1YrE	07/08/2024	2.190	2.190	50,000,000.00	50,000,000.00	100.140000	50,070,000.00	70,000.00	4.486	4.775
3134GTZP1	FHLMC 1.25YrNc3MoO	10/08/2020	2.150	2.200	20,000,000.00	19,988,080.00	100.001000	20,000,200.00	12,120.00	1.003	1.025
3134GTA37	FHLMC 5YrNc1YrE	07/15/2024	2.150	2.150	15,000,000.00	15,000,000.00	100.182000	15,027,300.00	27,300.00	4.511	4.795
3134GTA52	FHLMC 5YrNc1YrQ	07/15/2024	2.300	2.300	5,000,000.00	5,000,000.00	100.205000	5,010,250.00	10,250.00	4.492	4.795
3134GTA37	FHLMC 5YrNc1YrE	07/15/2024	2.150	2.150	5,000,000.00	5,000,000.00	100.182000	5,009,100.00	9,100.00	4.511	4.795
3134GTF57	FHLMC 1.25YrNc3MoQ	10/16/2020	2.150	2.150	17,000,000.00	17,000,000.00	100.018000	17,003,060.00	3,060.00	1.018	1.047
3134GTF24	FHLMC 1.5YrNc3MoQ	01/15/2021	2.200	2.214	15,000,000.00	14,997,000.00	100.004000	15,000,600.00	3,600.00	1.261	1.296
3134GTJ20	FHLMC 2YrNc3MoB	07/29/2021	2.300	2.300	15,000,000.00	15,000,000.00	100.008000	15,001,200.00	1,200.00	1.776	1.830
3134GTP23	FHLMC 3.9YrNc5MoQ	07/24/2023	2.300	2.300	1,000,000.00	1,000,000.00	100.058000	1,000,580.00	580.00	3.621	3.816
3134GTW82	FHLMC 5YrNc1YrQ	08/07/2024	2.150	2.150	5,000,000.00	5,000,000.00	99.482000	4,974,100.00	-25,900.00	4.571	4.858
3134GTW74	FHLMC 5YrNc6MoQ	08/07/2024	2.300	2.300	5,000,000.00	5,000,000.00	99.532000	4,976,600.00	-23,400.00	4.552	4.858
3134GTW90	FHLMC 3YrNc3MoQ	08/08/2022	2.250	2.250	25,000,000.00	25,000,000.00	99.724000	24,931,000.00	-69,000.00	2.742	2.858
3134GTX65	FHLMC 1.25YrNc3MoQ	11/12/2020	2.060	2.060	15,000,000.00	15,000,000.00	99.897000	14,984,550.00	-15,450.00	1.090	1.121
3134GT6P3	FHLMC 2YrNc6MoO	09/09/2021	1.880	1.880	25,000,000.00	25,000,000.00	99.704000	24,926,000.00	-74,000.00	1.896	1.945

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
3134GT5H2	FHLMC 2YrNc6MoO	09/09/2021	1.860	1.860	25,000,000.00	25,000,000.00	99.994000	24,998,500.00	-1,500.00	1.897	1.945
3134GT6N8	FHLMC 5YrNc6MoQ	09/12/2024	2.125	2.125	25,000,000.00	25,000,000.00	99.902000	24,975,500.00	-24,500.00	4.670	4.956
3134GT5P4	FHLMC 3YrNC4MoO	09/13/2022	1.860	1.860	50,000,000.00	50,000,000.00	99.472000	49,736,000.00	-264,000.00	2.858	2.956
			2.150	**2.190**	**768,000,000.00**	**767,439,640.00**	**100.016809**	**768,129,090.00**	**689,450.00**	**2.569**	**2.710**
1465: FHLMC-STEP%-S30/360											
3134G7S77	FHLMC 5YrNc6MoB	10/29/2020	2.000	2.000	15,000,000.00	15,000,000.00	99.993000	14,998,950.00	-1,050.00	1.062	1.082
3134G8KU2	FHLMC 5YrNc6MoB	02/26/2021	2.000	2.000	10,000,000.00	10,000,000.00	99.977000	9,997,700.00	-2,300.00	1.382	1.411
3134G9JX6	FHLMC 5YrNc3MoB	06/09/2021	1.750	1.750	15,000,000.00	15,000,000.00	99.769000	14,965,350.00	-34,650.00	1.653	1.693
3134G9JW8	FHLMC 5YrNc3MoB	05/25/2021	1.625	1.625	20,000,000.00	20,000,000.00	99.798000	19,959,600.00	-40,400.00	1.617	1.652
3134G9NU7	FHLMC 5YrNc3MoB	06/16/2021	2.000	2.010	15,000,000.00	14,997,000.00	100.027000	15,004,050.00	7,050.00	1.672	1.712
3134G9UM7	FHLMC 5YrNc3MoB	06/30/2021	1.625	1.625	15,000,000.00	15,000,000.00	99.815000	14,972,250.00	-27,750.00	1.714	1.751
3134G9VA2	FHLMC 5YrNc6MoB	06/30/2021	1.700	1.700	15,000,000.00	15,000,000.00	99.943000	14,991,450.00	-8,550.00	1.716	1.751
3134G9UX3	FHLMC 5YrNc3MoB	06/30/2021	2.000	2.000	10,000,000.00	10,000,000.00	99.940000	9,994,000.00	-6,000.00	1.711	1.751
3134G9XA0	FHLMC 5YrNc6MoB	07/13/2021	2.000	2.000	15,000,000.00	15,000,000.00	100.009000	15,001,350.00	1,350.00	1.750	1.786
3134G9S40	FHLMC 4YrNc6MoB	07/27/2020	1.750	1.750	15,000,000.00	15,000,000.00	99.887000	14,983,050.00	-16,950.00	.815	.825
3134G9R66	FHLMC 5YrNc3MoB	08/10/2021	1.500	1.500	15,000,000.00	15,000,000.00	99.599000	14,939,850.00	-60,150.00	1.829	1.863
3134G9S57	FHLMC 4YrNc6MoB	08/10/2020	1.750	1.750	15,000,000.00	15,000,000.00	99.817000	14,972,550.00	-27,450.00	.851	.863
3134G9T23	FHLMC 5YrNc3MoB	08/10/2021	1.750	1.750	10,000,000.00	10,000,000.00	99.894000	9,989,400.00	-10,600.00	1.826	1.863
3134G9U47	FHLMC 5YrNc3MoB	08/25/2021	1.625	1.625	15,000,000.00	15,000,000.00	99.795000	14,969,250.00	-30,750.00	1.865	1.904
3134G95W3	FHLMC 5YrNc3MoB	08/25/2021	1.500	1.500	10,000,000.00	10,000,000.00	99.757000	9,975,700.00	-24,300.00	1.867	1.904
3134G96A0	FHLMC 5YrNc3MoB	08/25/2021	1.625	1.625	15,000,000.00	15,000,000.00	99.699000	14,954,850.00	-45,150.00	1.867	1.904
3134GAEB6	FHLMC 4.25YrNc3MoB	12/08/2020	1.750	1.750	20,000,000.00	20,000,000.00	99.801000	19,960,200.00	-39,800.00	1.169	1.192
3134GAEG5	FHLMC 5YrNc6MoB	08/24/2021	2.000	2.000	20,000,000.00	20,000,000.00	100.013000	20,002,600.00	2,600.00	1.863	1.901
3134GADP6	FHLMC 5YrNc3MoB	09/13/2021	1.625	1.625	16,500,000.00	16,500,000.00	99.773000	16,462,545.00	-37,455.00	1.915	1.956
3134GAET7	FHLMC 5YrNc3MoB	09/30/2021	1.625	1.625	20,000,000.00	20,000,000.00	99.716000	19,943,200.00	-56,800.00	1.962	2.003
3134GAKY9	FHLMC 5YrNc6MoB	09/30/2021	1.750	1.750	15,000,000.00	15,000,000.00	99.892000	14,983,800.00	-16,200.00	1.961	2.003
3134GANB6	FHLMC 5YrNc6MoB	09/30/2021	1.750	1.750	15,000,000.00	15,000,000.00	99.905000	14,985,750.00	-14,250.00	1.963	2.003
3134GAPM0	FHLMC 5YrNc3MoB	10/25/2021	1.500	1.500	10,000,000.00	10,000,000.00	99.778000	9,977,800.00	-22,200.00	2.020	2.071
3134GAPM0	FHLMC 5YrNc3MoB	10/25/2021	1.500	1.500	6,705,000.00	6,705,000.00	99.778000	6,690,114.90	-14,885.10	2.020	2.071
3134GAPA6	FHLMC 5YrNc3MoB	10/27/2020	1.500	1.500	10,000,000.00	10,000,000.00	99.964000	9,996,400.00	-3,600.00	1.058	1.077
3134GAQV9	FHLMC 5YrNc6MoB	10/27/2021	1.400	1.400	15,000,000.00	15,000,000.00	99.635000	14,945,250.00	-54,750.00	2.026	2.077
3134GAQV9	FHLMC 5YrNc6MoB	10/27/2021	1.400	1.400	15,000,000.00	15,000,000.00	99.635000	14,945,250.00	-54,750.00	2.026	2.077
3134GARL0	FHLMC 5YrNc6MoB	10/28/2021	1.500	1.500	10,000,000.00	10,000,000.00	99.925000	9,992,500.00	-7,500.00	2.032	2.079
3134GASF2	FHLMC 5YrNc3MoB	10/27/2021	1.500	1.500	15,000,000.00	15,000,000.00	99.669000	14,950,350.00	-49,650.00	2.023	2.077
3134GASF2	FHLMC 5YrNc3MoB	10/27/2021	1.500	1.500	15,000,000.00	15,000,000.00	99.669000	14,950,350.00	-49,650.00	2.023	2.077
3134GATA2	FHLMC 5YrNc3MoB	10/27/2021	1.500	1.500	10,000,000.00	10,000,000.00	99.867000	9,986,700.00	-13,300.00	2.025	2.077
3134GATB0	FHLMC 5YrNc3MoB	11/10/2021	1.550	1.550	17,000,000.00	17,000,000.00	99.608000	16,933,360.00	-66,640.00	2.057	2.115
3134GATA2	FHLMC 5YrNc3MoB	10/27/2021	1.500	1.500	14,000,000.00	14,000,000.00	99.867000	13,981,380.00	-18,620.00	2.025	2.077
3134GAUA0	FHLMC 5YrNc3MoB	11/30/2021	1.500	1.500	4,500,000.00	4,500,000.00	99.409000	4,473,405.00	-26,595.00	2.114	2.170
3134GAYF5	FHLMC 5YrNc3MoB	11/26/2021	1.550	1.550	20,000,000.00	20,000,000.00	99.596000	19,919,200.00	-80,800.00	2.101	2.159
3134GAYG3	FHLMC 5YrNc3MoB	12/09/2021	1.750	1.750	10,000,000.00	10,000,000.00	99.966000	9,996,600.00	-3,400.00	2.136	2.195
3134GAYR9	FHLMC 5YrNc3MoB	12/09/2021	1.650	1.650	20,000,000.00	20,000,000.00	100.010000	20,002,000.00	2,000.00	2.133	2.195
3134GAA87	FHLMC 5YrNc3MoB	12/30/2021	1.900	1.900	10,000,000.00	10,000,000.00	99.987000	9,998,700.00	-1,300.00	2.183	2.252
3134GAA87	FHLMC 5YrNc3MoB	12/30/2021	1.900	1.900	10,000,000.00	10,000,000.00	99.987000	9,998,700.00	-1,300.00	2.183	2.252
3134G7S77	FHLMC 3.5Yr	10/29/2020	2.000	2.153	7,125,000.00	7,108,968.75	99.993000	7,124,501.25	15,532.50	1.061	1.082
3134GBHN5	FHLMC 3YrNc3MoB	04/27/2020	2.000	2.000	10,000,000.00	10,000,000.00	99.986000	9,998,600.00	-1,400.00	.566	.575
3134GBKC5	FHLMC 3YrNc3MoB	04/27/2020	2.000	2.000	20,000,000.00	20,000,000.00	99.931000	19,986,200.00	-13,800.00	.566	.575
3134GBMP4	FHLMC 3YrNc3MoB	05/22/2020	2.000	2.000	10,000,000.00	10,000,000.00	100.008000	10,000,800.00	800.00	.634	.644
3134GBPJ5	FHLMC 3YrNc6MoB	05/22/2020	1.900	1.900	20,000,000.00	20,000,000.00	99.994000	19,998,800.00	-1,200.00	.634	.644
3134GBSE3	FHLMC 4YrNc6MoB	02/24/2021	1.875	1.875	15,000,000.00	15,000,000.00	100.027000	15,004,050.00	4,050.00	1.375	1.405
3134GBSD5	FHLMC 3YrNc6MoB	11/24/2020	1.875	1.875	15,000,000.00	15,000,000.00	100.000000	15,000,000.00	0.00	1.128	1.153
3134GBTD4	FHLMC 5YrNc3MoB	06/29/2022	2.050	2.050	20,000,000.00	20,000,000.00	100.080000	20,016,000.00	16,000.00	2.645	2.748
3134GBTE2	FHLMC 5YrNc6MoB	06/22/2022	2.000	2.000	15,000,000.00	15,000,000.00	100.032000	15,004,800.00	4,800.00	2.628	2.729
3134GBYK2	FHLMC 5YrNc3MoB	07/05/2022	2.000	2.000	20,000,000.00	20,000,000.00	100.003000	20,000,600.00	600.00	2.664	2.764
3134GBWD0	FHLMC 3.5YrNc3MoB	01/20/2021	2.000	2.000	10,000,000.00	10,000,000.00	100.015000	10,001,500.00	1,500.00	1.282	1.310
3134GBWS7	FHLMC 5YrNc3MoB	07/27/2022	2.050	2.050	20,000,000.00	20,000,000.00	100.016000	20,003,200.00	3,200.00	2.722	2.825
3134GBYN6	FHLMC 5YrNc3MoB	07/27/2022	2.100	2.100	20,000,000.00	20,000,000.00	100.027000	20,005,400.00	5,400.00	2.720	2.825
3134G92T3	FHLMC 5YrNc3MoB	08/08/2023	1.500	2.399	5,000,000.00	4,790,170.00	99.193000	4,959,650.00	169,480.00	3.706	3.858
3134GBZQ8	FHLMC 5YrNc2MoB	07/27/2022	2.250	2.732	3,000,000.00	2,946,600.00	100.023000	3,000,690.00	54,090.00	2.705	2.825
			1.763	**1.773**	**753,830,000.00**	**753,547,738.75**	**99.870037**	**752,850,296.15**	**-697,442.60**	**1.786**	**1.833**
1525: FNMA-Fxd-S 30/360											
3136G3RL1	FNMA 3.5YrNc6MoB	12/16/2019	1.500	1.500	5,000,000.00	5,000,000.00	99.936000	4,996,800.00	-3,200.00	.209	.211
3136G3WC5	FNMA 4YrNc6MoE	07/13/2020	1.350	1.350	10,000,000.00	10,000,000.00	99.564000	9,956,400.00	-43,600.00	.778	.786
3135G0R39	FNMA 3Yr	10/24/2019	1.000	1.091	10,000,000.00	9,973,200.00	99.940000	9,994,000.00	20,800.00	.065	.066
3136G4GU1	FNMA 3YrNc6MoB	11/25/2019	1.400	1.400	10,000,000.00	10,000,000.00	99.907000	9,990,700.00	-9,300.00	.152	.153
3135G0T60	FNMA 3Yr	07/30/2020	1.500	1.604	10,000,000.00	9,969,700.00	99.728000	9,972,800.00	3,100.00	.823	.833
3135G0S46	FNMA 2.16Yr2MoB	01/27/2020	1.650	1.800	5,000,000.00	4,983,850.00	99.889000	4,994,450.00	10,600.00	.323	.326
3135G0A78	FNMA 2Yr	01/21/2020	1.625	1.911	15,000,000.00	14,910,900.00	99.913000	14,986,950.00	76,050.00	.306	.310
3135G0UU5	FNMA 2.25Yr	03/06/2020	1.750	1.913	11,082,000.00	11,042,326.44	99.940000	11,075,350.80	33,024.36	.428	.433
3135G0T78	FNMA 4.83Yr	10/05/2022	2.000	2.322	15,000,000.00	14,782,200.00	101.016000	15,152,400.00	370,200.00	2.878	3.016
3135G0T94	FNMA 5Yr	01/19/2023	2.375	2.495	10,000,000.00	9,944,100.00	102.485000	10,248,500.00	304,400.00	3.142	3.307
3135G0V42	FNMA 3YrNc6MoB	04/29/2022	2.650	2.659	30,000,000.00	29,992,500.00	100.047000	30,014,100.00	21,600.00	2.452	2.581
3135G0U43	FNMA 4.41Yr	09/12/2023	2.875	2.333	30,000,000.00	30,670,500.00	104.799000	31,439,700.00	769,200.00	3.716	3.953
			2.058	**2.055**	**161,082,000.00**	**161,269,276.44**	**101.080289**	**162,822,150.80**	**1,552,874.36**	**1.820**	**1.915**
1560: FNMA-STEP%-Q 30/360											
3136G3SG1	FNMA 4.25YrNc6MoB	09/09/2020	1.750	1.750	15,000,000.00	15,000,000.00	99.805000	14,970,750.00	-29,250.00	.932	.945
			1.750	**1.750**	**15,000,000.00**	**15,000,000.00**	**99.805000**	**14,970,750.00**	**-29,250.00**	**.932**	**.945**
1565: FNMA-STEP%-S 30/360											
3136G3DV4	FNMA 5YrNc6MoB	03/30/2021	2.000	2.000	15,000,000.00	15,000,000.00	99.763000	14,964,450.00	-35,550.00	1.475	1.499
3136G3PB5	FNMA 5YrNc6MoB	06/09/2021	1.625	1.625	15,000,000.00	15,000,000.00	99.915000	14,987,250.00	-12,750.00	1.655	1.693
3136G3TG0	FNMA 4YrNc6MoB	06/30/2020	1.750	1.750	20,000,000.00	20,000,000.00	99.961000	19,992,200.00	-7,800.00	.741	.751
3136G3XT7	FNMA 5YrNc6MoB	07/27/2021	1.500	1.500	15,000,000.00	15,000,000.00	99.572000	14,935,800.00	-64,200.00	1.793	1.825
3136G3ZW8	FNMA 5YrNc6MoB	07/27/2021	1.750	1.750	20,000,000.00	20,000,000.00	99.723000	19,944,600.00	-55,400.00	1.791	1.825
3136G3Y74	FNMA 4YrNc6MoB	11/24/2020	1.750	1.750	15,000,000.00	15,000,000.00	99.935000	14,990,250.00	-9,750.00	1.132	1.153
			1.731	**1.731**	**100,000,000.00**	**100,000,000.00**	**99.814550**	**99,814,550.00**	**-185,450.00**	**1.414**	**1.440**
1700: FHLB-DISC NOTE											
313384SK6	FHLB DISC NTE	01/29/2020	2.028	2.049	25,000,000.00	24,743,683.33	99.383000	24,845,750.00	102,066.67	.325	.332
313384NK1	FHLB DISC NTE	10/25/2019	2.020	2.026	50,000,000.00	49,856,916.67	99.875000	49,937,500.00	80,583.33	.067	.068
313384MS5	FHLB DISC NTE	10/08/2019	2.030	2.034	50,000,000.00	49,906,958.33	99.963000	49,981,500.00	74,541.67	.021	.022
313384NW5	FHLB DISC NTE	11/05/2019	1.980	1.987	50,000,000.00	49,832,250.00	99.817000	49,908,500.00	76,250.00	.097	.099
313384RH4	FHLB DISC NTE	01/03/2020	1.905	1.915	60,000,000.00	59,679,325.20	99.517000	59,710,200.00	30,874.80	.255	.260
313384RQ4	FHLB DISC NTE	01/10/2020	1.875	1.885	25,000,000.00	24,861,979.17	99.481000	24,870,250.00	8,270.83	.274	.279

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
			1.975	**1.983**	**260,000,000.00**	**258,881,112.70**	**99.712962**	**259,253,700.00**	**372,587.30**	**.152**	**.155**
1725: FHLB-Fxd-S 30/360											
3130A7PV1	FHLB 5Yr	04/05/2021	1.375	1.390	5,000,000.00	4,996,350.00	99.462000	4,973,100.00	-23,250.00	1.483	1.515
3130A7PU3	FHLB 4Yr	04/06/2020	1.200	1.210	10,000,000.00	9,996,000.00	99.677000	9,967,700.00	-28,300.00	.511	.518
3130ABYZ3	FHLB 2.75YrNc9MoE	05/22/2020	1.600	1.600	5,000,000.00	5,000,000.00	99.849000	4,992,450.00	-7,550.00	.635	.644
3130AC2C7	FHLB 3YrNc1YrE	08/28/2020	2.000	1.790	10,000,000.00	10,061,000.00	100.162000	10,016,200.00	-44,800.00	.904	.912
3130ABZE9	FHLB 3YrNc1YrE	08/28/2020	1.650	1.650	5,000,000.00	5,000,000.00	99.849000	4,992,450.00	-7,550.00	.905	.912
3130ABY34	FHLB 2.5Yr	05/29/2020	1.613	1.813	10,000,000.00	9,950,500.00	99.853000	9,985,300.00	34,800.00	.654	.663
3130ACBD5	FHLB 2.58YrNc1MoB	06/29/2020	1.650	1.861	5,350,000.00	5,321,270.50	99.942000	5,346,897.00	25,626.50	.736	.748
313379Q69	FHLB 4.5 Yr	06/10/2022	2.125	2.182	7,975,000.00	7,955,620.75	101.267000	8,076,043.25	120,422.50	2.588	2.696
3130ADFW7	FHLB 3Yr	01/25/2021	2.200	2.212	15,000,000.00	14,994,900.00	100.551000	15,082,650.00	87,750.00	1.289	1.323
3130A0XD7	FHLB 3Yr	03/12/2021	2.375	2.484	10,000,000.00	9,968,000.00	100.852000	10,085,200.00	117,200.00	1.415	1.449
3130A0XD7	FHLB 3Yr	03/12/2021	2.375	2.489	10,000,000.00	9,966,500.00	100.852000	10,085,200.00	118,700.00	1.415	1.449
313378WG2	FHLB 4.08Yr	03/11/2022	2.500	2.619	10,000,000.00	9,954,700.00	102.060000	10,206,000.00	251,300.00	2.355	2.447
313382AX1	FHLB 4.9Yr	03/10/2023	2.125	2.716	11,750,000.00	11,432,397.50	101.745000	11,955,037.50	522,640.00	3.290	3.444
3130AE6U9	FHLB 3Yr	05/07/2021	2.700	2.725	7,650,000.00	7,644,492.00	101.612000	7,773,318.00	128,826.00	1.542	1.603
3130AE6U9	FHLB 3Yr	05/07/2021	2.700	2.703	10,000,000.00	9,999,100.00	101.612000	10,161,200.00	162,100.00	1.542	1.603
3130A9M40	FHLB 4.17Yr	09/29/2022	1.650	2.929	15,730,000.00	14,940,354.00	99.184000	15,601,643.20	661,289.20	2.893	3.000
3130A8R54	FHLB 4.9YrNc1Mo	07/28/2023	1.800	2.965	3,700,000.00	3,504,196.00	99.532000	3,682,684.00	178,488.00	3.648	3.827
3130AFCU9	FHLB 3YrNc1YrE	11/26/2021	3.125	3.150	10,000,000.00	9,992,900.00	100.161000	10,016,100.00	23,200.00	2.048	2.159
3130A8CK7	FHLB 4.5Yr	06/09/2023	2.050	3.147	10,000,000.00	9,540,100.00	100.001000	10,000,100.00	460,000.00	3.494	3.693
3130ADUJ9	FHLB 11Mo	03/30/2020	2.375	2.429	47,210,000.00	47,186,395.00	100.252000	47,328,969.20	142,574.20	.492	.499
313378WG2	FHLB 2.91Yr	03/11/2022	2.500	2.308	30,000,000.00	30,158,100.00	102.060000	30,618,000.00	459,900.00	2.359	2.447
3130AGT70	FHLB 1YrNc3MoB	07/29/2020	2.200	2.200	25,000,000.00	25,000,000.00	99.958000	24,989,500.00	-10,500.00	.816	.830
3130AGUE3	FHLB 1YrNc3MoQ	08/05/2020	2.200	2.200	25,000,000.00	25,000,000.00	100.006000	25,001,500.00	1,500.00	.833	.849
3130AGWF8	FHLB 1YrNc3MoQ	08/14/2020	2.060	2.060	25,000,000.00	25,000,000.00	100.004000	25,001,000.00	1,000.00	.858	.874
3130AGWJ0	FHLB 1.08YrNc3MoQ	09/11/2020	2.100	2.100	25,000,000.00	25,000,000.00	100.003000	25,000,750.00	750.00	.932	.951
3130AGZE8	FHLB 1.4YrNc3MoQ	02/26/2021	2.050	2.050	25,000,000.00	25,000,000.00	99.773000	24,943,250.00	-56,750.00	1.377	1.411
3130AH2K8	FHLB 1YrNc3MoQ	09/10/2020	2.050	2.060	25,000,000.00	24,997,500.00	100.002000	25,000,500.00	3,000.00	.930	.948
3130AGZ57	FHLB 2.16YrNc2MoB	11/26/2021	2.125	2.135	25,000,000.00	24,995,000.00	99.954000	24,988,500.00	-6,500.00	2.108	2.159
3130AH5D1	FHLB 2YrNc6MoB	09/23/2021	2.050	2.050	25,000,000.00	25,000,000.00	100.020000	25,005,000.00	5,000.00	1.931	1.984
3130AGYJ8	FHLB 2.9YrNc5MoB	08/26/2022	2.000	2.021	25,000,000.00	24,985,000.00	99.978000	24,994,500.00	9,500.00	2.805	2.907
			2.145	**2.243**	**474,365,000.00**	**472,540,375.75**	**100.317423**	**475,870,742.15**	**3,330,366.40**	**1.521**	**1.569**
1765: FHLB-STEP%-S 30/360											
3130A9DH1	FHLB 5YrNc3MoB	09/30/2021	2.000	2.000	15,000,000.00	15,000,000.00	100.004000	15,000,600.00	600.00	1.960	2.003
3130A9DA6	FHLB 5YrNc3MoB	09/30/2021	2.000	2.000	15,000,000.00	15,000,000.00	99.999000	14,999,850.00	-150.00	1.960	2.003
3130AA2T4	FHLB 5YrNc6MoB	12/09/2021	1.600	1.600	10,000,000.00	10,000,000.00	99.821000	9,982,100.00	-17,900.00	2.135	2.195
3130AA2T4	FHLB 5YrNc6MoB	12/09/2021	1.600	1.600	10,000,000.00	10,000,000.00	99.821000	9,982,100.00	-17,900.00	2.135	2.195
3130AA5A2	FHLB 5YrNc1YrB	12/08/2021	1.700	1.700	15,000,000.00	15,000,000.00	99.993000	14,998,950.00	-1,050.00	2.129	2.192
3130ABQV1	FHLB 5YrNc6MoB	07/26/2022	2.000	2.000	15,000,000.00	15,000,000.00	100.019000	15,002,850.00	2,850.00	2.722	2.822
3130ABVZ6	FHLB 5YrNc6MoB	02/09/2022	2.000	2.000	20,000,000.00	20,000,000.00	100.043000	20,008,600.00	8,600.00	2.292	2.364
3130ABZW9	FHLB 5YrNc3MoB	08/24/2022	2.000	2.000	10,000,000.00	10,000,000.00	100.024000	10,002,400.00	2,400.00	2.799	2.901
3130AC6H2	FHLB 5YrNc3MoB	08/24/2022	2.000	2.000	15,000,000.00	15,000,000.00	100.025000	15,003,750.00	3,750.00	2.799	2.901
3130AC4T8	FHLB 5YrNc3MoB	05/24/2022	2.000	2.000	20,000,000.00	20,000,000.00	100.061000	20,012,200.00	12,200.00	2.558	2.649
3130A9TV3	FHLB 3.4YrNc2MoB	11/08/2021	1.500	2.579	10,000,000.00	9,690,500.00	99.852000	9,985,200.00	294,700.00	2.048	2.110
3130AA5Y0	FHLB 4.16YrNc2MoB	11/25/2022	1.750	2.436	5,100,000.00	4,967,400.00	99.832000	5,091,432.00	124,032.00	3.043	3.156
			1.883	**1.972**	**160,100,000.00**	**159,657,900.00**	**99.981282**	**160,070,032.00**	**412,132.00**	**2.356**	**2.431**
1767: FHLB-Var-M A/360											
3130A9FU0	FHLB 4Yr	09/22/2020	2.196	2.196	10,000,000.00	10,000,000.00	100.124000	10,012,400.00	12,400.00	.973	.981
3130A9FM8	FHLB 4Yr	09/22/2020	2.196	2.196	15,000,000.00	15,000,000.00	100.124000	15,018,600.00	18,600.00	.973	.981
3130A9FR7	FHLB 4Yr	09/28/2020	2.194	2.194	10,000,000.00	10,000,000.00	100.121000	10,012,100.00	12,100.00	.995	.997
3130A9FR7	FHLB 4Yr	09/28/2020	2.194	2.194	15,000,000.00	15,000,000.00	100.121000	15,018,150.00	18,150.00	.995	.997
			2.195	**2.195**	**50,000,000.00**	**50,000,000.00**	**100.122500**	**50,061,250.00**	**61,250.00**	**.984**	**.989**
1770: FHLB-Var-Q A/360											
3130A8NF6	FHLB 3Yr	07/01/2020	2.444	2.444	25,000,000.00	25,000,000.00	100.196000	25,049,000.00	49,000.00	.745	.753
			2.444	**2.444**	**25,000,000.00**	**25,000,000.00**	**100.196000**	**25,049,000.00**	**49,000.00**	**.745**	**.753**
1900: FFCB-DISC NOTE											
313312RT9	FFCB DISC NTE	01/13/2020	1.850	1.862	50,000,000.00	49,676,250.00	99.466000	49,733,000.00	56,750.00	.282	.288
			1.850	**1.862**	**50,000,000.00**	**49,676,250.00**	**99.466000**	**49,733,000.00**	**56,750.00**	**.282**	**.288**
1925: FFCB-Fxd-S 30/360											
3133EF5D5	FFCB 4YrNc1YrA	04/27/2020	1.420	1.420	7,700,000.00	7,700,000.00	99.770000	7,682,290.00	-17,710.00	.567	.575
3133EGSA4	FFCB 4YrNc1YrA	08/24/2020	1.320	1.320	10,000,000.00	10,000,000.00	99.569000	9,956,900.00	-43,100.00	.891	.901
3133EGVK8	FFCB 4YrNc1YrA	09/21/2020	1.350	1.350	10,000,000.00	10,000,000.00	99.566000	9,956,600.00	-43,400.00	.965	.978
3133EGXX8	FFCB 4YrNc1YrA	10/13/2020	1.340	1.340	15,000,000.00	15,000,000.00	99.551000	14,932,650.00	-67,350.00	1.019	1.038
3133EGC94	FFCB 4YrNc3MoA	11/02/2020	1.380	1.380	10,000,000.00	10,000,000.00	99.266000	9,926,600.00	-73,400.00	1.071	1.093
3133EGR49	FFCB 4YrNc1YrA	12/07/2020	1.770	1.770	10,000,000.00	10,000,000.00	99.978000	9,997,800.00	-2,200.00	1.163	1.189
3133EHAJ2	FFCB 3YrNc1YrE	02/27/2020	1.710	1.710	10,000,000.00	10,000,000.00	99.956000	9,995,600.00	-4,400.00	.407	.411
3133EHRK1	FFCB 2.5Yr	01/17/2020	1.520	1.520	10,000,000.00	10,000,000.00	99.907000	9,990,700.00	-9,300.00	.296	.299
3133EHUL5	FFCB 3Yr	08/10/2020	1.550	1.550	5,000,000.00	5,000,000.00	99.780000	4,989,000.00	-11,000.00	.851	.863
3133EHZN6	FFCB 3Yr	03/20/2020	1.450	1.511	20,000,000.00	19,970,400.00	99.826000	19,965,200.00	-5,200.00	.467	.471
3133EHJ95	FFCB 3Yr	10/26/2020	1.750	1.760	20,000,000.00	19,994,000.00	99.889000	19,977,800.00	-16,200.00	1.050	1.074
3133EHP98	FFCB 2Yr	11/06/2019	1.600	1.667	25,000,000.00	24,967,247.50	99.979000	24,994,750.00	27,502.50	.100	.101
3133EH6X6	FFCB 4Yr	01/12/2022	2.200	2.365	10,000,000.00	9,938,000.00	101.149000	10,114,900.00	176,900.00	2.203	2.288
3133EJEM7	FFCB 3Yr	03/01/2021	2.500	2.501	10,000,000.00	9,999,700.00	100.951000	10,095,100.00	95,400.00	1.384	1.419
3133EJCE7	FFCB 2.8Yr	02/12/2021	2.350	2.474	15,000,000.00	14,948,670.00	100.707000	15,106,050.00	157,380.00	1.333	1.373
3133EJKN8	FFCB 5Yr	04/11/2023	2.700	2.721	10,000,000.00	9,990,300.00	103.723000	10,372,300.00	382,000.00	3.304	3.532
3133EJNS4	FFCB 3Yr	05/10/2021	2.700	2.747	10,000,000.00	9,986,600.00	101.426000	10,142,600.00	156,000.00	1.550	1.611
3133EJD48	FFCB 5Yr	10/02/2023	3.050	3.095	10,000,000.00	9,979,300.00	105.591000	10,559,100.00	579,800.00	3.687	4.008
3133EJP52	FFCB4 4YrNc1YrA	11/01/2022	3.330	3.330	5,000,000.00	5,000,000.00	100.114000	5,005,700.00	5,700.00	2.871	3.090
3133EHB85	FFCB 4.4YrA	04/03/2023	2.280	3.166	21,000,000.00	20,237,490.00	99.913000	20,981,730.00	744,240.00	3.299	3.510
3133EJT74	FFCB 2.9Yr	11/15/2021	3.050	2.922	10,000,000.00	10,035,700.00	102.872000	10,287,200.00	251,500.00	2.022	2.129
3133EFE86	FFCB 4.2YrNc1WKA	03/01/2023	2.200	3.060	10,000,000.00	9,660,530.00	100.003000	10,000,300.00	339,770.00	3.255	3.419
3133EFX44	FFCB 3.8YrNc1WKA	10/05/2022	2.050	3.050	10,000,000.00	9,640,870.00	99.760000	9,976,000.00	335,130.00	2.863	3.016
3133EJ3L1	FFCB 1.5Yr	06/24/2020	2.750	2.757	10,000,000.00	9,999,000.00	100.673000	10,067,300.00	68,300.00	.717	.734
3133EKBU9	FFCB 1Yr	02/27/2020	2.520	2.555	10,000,000.00	9,996,600.00	100.277000	10,027,700.00	31,100.00	.405	.411
3133EKRP3	FFCB 5YrNc2YrA	06/21/2024	2.220	2.220	10,000,000.00	10,000,000.00	100.440000	10,044,000.00	44,000.00	4.436	4.729
3133EKTS5	FFCB 4.5YrNc3MoA	01/03/2024	2.390	2.390	8,280,000.00	8,280,000.00	100.003000	8,280,248.40	248.40	4.004	4.263
3133EKTU0	FFCB 5YrNc3MoA	07/03/2024	2.440	2.440	6,300,000.00	6,300,000.00	100.002000	6,300,126.00	126.00	4.441	4.762
3133EKYR1	FFCB 2.5YrNc3MoA	02/08/2022	2.160	2.160	25,000,000.00	25,000,000.00	99.719000	24,929,750.00	-70,250.00	2.278	2.362
3133EKYL4	FFCB 1.5YrNc3MoA	02/08/2021	2.090	2.090	25,000,000.00	25,000,000.00	99.857000	24,964,250.00	-35,750.00	1.326	1.362
3133EKYL4	FFCB 1.5YrNc3MoA	02/08/2021	2.090	2.090	25,000,000.00	25,000,000.00	99.857000	24,964,250.00	-35,750.00	1.326	1.362
3133EKM45	FFCB 3Yr	09/06/2022	1.500	1.529	14,435,000.00	14,422,874.60	99.678000	14,388,519.30	-34,355.30	2.856	2.937

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
3133EKM94	FFCB 4YrNc1YrA	09/11/2023	1.900	1.900	10,000,000.00	10,000,000.00	99.867000	9,986,700.00	-13,300.00	3.782	3.951
			2.027	**2.137**	**417,715,000.00**	**416,047,282.10**	**100.297982**	**418,959,713.70**	**2,912,431.60**	**1.752**	**1.833**
1930: FFCB-Var-M A/360											
3133EDXQ0	FFCB 5Yr	10/10/2019	2.119	2.119	15,000,000.00	15,000,000.00	100.006000	15,000,900.00	900.00	.027	.027
3133EDXQ0	FFCB 5Yr	10/10/2019	2.119	2.119	25,000,000.00	25,000,000.00	100.006000	25,001,500.00	1,500.00	.027	.027
3133EDXQ0	FFCB 5Yr	10/10/2019	2.119	2.412	10,000,000.00	9,997,560.00	100.006000	10,000,600.00	3,040.00	.027	.027
3133EFT56	FFCB 4Yr	04/01/2020	2.335	2.335	25,000,000.00	25,000,000.00	100.082000	25,020,500.00	20,500.00	.501	.504
3133EF2Z9	FFCB 4Yr	04/13/2020	2.281	2.281	50,000,000.00	50,000,000.00	100.092000	50,046,000.00	46,000.00	.534	.537
3133EGCE3	FFCB 5Yr	05/25/2021	2.288	2.288	10,000,000.00	10,000,000.00	100.348000	10,034,800.00	34,800.00	1.640	1.652
3133EGCE3	FFCB 5Yr	05/25/2021	2.288	2.288	10,000,000.00	10,000,000.00	100.348000	10,034,800.00	34,800.00	1.640	1.652
3133EGYA7	FFCB 3Yr	10/11/2019	2.230	2.230	15,000,000.00	15,000,000.00	100.008000	15,001,200.00	1,200.00	.030	.030
3133EGZS7	FFCB 3Yr	10/24/2019	2.217	2.217	15,000,000.00	15,000,000.00	100.021000	15,003,150.00	3,150.00	.066	.066
3133EGF67	FFCB 3Yr	11/14/2019	2.198	2.198	15,000,000.00	15,000,000.00	100.035000	15,005,250.00	5,250.00	.122	.123
3133EGF67	FFCB 3Yr	11/14/2019	2.198	2.198	15,000,000.00	15,000,000.00	100.035000	15,005,250.00	5,250.00	.122	.123
3133EG4C6	FFCB 3.9Yr	01/18/2022	2.281	1.874	15,000,000.00	15,139,095.00	100.162000	15,024,300.00	-114,795.00	2.248	2.304
3133EJDG1	FFCB 5Yr	02/21/2023	2.116	2.116	15,000,000.00	15,000,000.00	99.473000	14,920,950.00	-79,050.00	3.290	3.397
3133EJJE0	FFCB 3.5Yr	10/04/2021	2.107	2.107	15,000,000.00	15,000,000.00	99.830000	14,974,500.00	-25,500.00	1.967	2.014
			2.217	**2.205**	**250,000,000.00**	**250,136,655.00**	**100.029480**	**250,073,700.00**	**-62,955.00**	**.764**	**.778**
1936: FFCB-Var-SOFR-Q A/360											
3133EKT63	FFCB 2Yr	09/24/2021	1.960	1.960	15,000,000.00	15,000,000.00	100.020000	15,003,000.00	3,000.00	1.939	1.986
			1.960	**1.960**	**15,000,000.00**	**15,000,000.00**	**100.020000**	**15,003,000.00**	**3,000.00**	**1.939**	**1.986**
1950: FMAC-Fxd-S 30/360											
3132X0C74	FAMCA 2.08Yr	02/03/2020	1.970	1.970	15,000,000.00	15,000,000.00	99.988000	14,998,200.00	-1,800.00	.342	.345
3132X02Y6	FAMCA 1.58Yr	01/02/2020	2.530	2.530	20,000,000.00	20,000,000.00	100.126000	20,025,200.00	25,200.00	.254	.258
3132X03B5	FAMCA 4.9Yr	06/30/2023	2.850	2.964	10,000,000.00	9,947,900.00	104.077000	10,407,700.00	459,800.00	3.506	3.751
3132X04F5	FAMCA 2.91Yr	07/23/2021	2.840	2.864	10,000,000.00	9,993,300.00	101.793000	10,179,300.00	186,000.00	1.747	1.814
31422BBR0	FAMCA 1.16Yr	03/16/2020	2.640	2.640	15,000,000.00	15,000,000.00	100.299000	15,044,850.00	44,850.00	.454	.460
31422BEP1	FAMCA 1.08Yr	05/29/2020	2.430	2.430	25,000,000.00	25,000,000.00	100.300000	25,075,000.00	75,000.00	.650	.663
			2.499	**2.516**	**95,000,000.00**	**94,941,200.00**	**100.768684**	**95,730,250.00**	**789,050.00**	**.915**	**.955**
1965: FMAC-Var-M A/360											
3132X0AT8	FAMCA 2.5 Yr	06/02/2020	2.240	1.899	25,000,000.00	25,063,500.00	100.003000	25,000,750.00	-62,750.00	.668	.674
3132X0S77	FAMCA 3Yr	04/23/2021	2.068	2.068	25,000,000.00	25,000,000.00	99.966000	24,991,500.00	-8,500.00	1.538	1.564
3132X0U90	FAMCA 3Yr	05/10/2021	2.069	2.069	10,000,000.00	10,000,000.00	99.911000	9,991,100.00	-8,900.00	1.583	1.611
			2.140	**1.998**	**60,000,000.00**	**60,063,500.00**	**99.972250**	**59,983,350.00**	**-80,150.00**	**1.183**	**1.201**
2350: MUNIS-S 30/360											
882723A33	TEXAS STATE	10/01/2019	1.497	1.497	5,000,000.00	5,000,000.00	100.000000	5,000,000.00	0.00	.003	.003
419792JH0	HAWAII STATE	04/01/2020	1.660	1.660	5,055,000.00	5,055,000.00	100.000000	5,055,000.00	0.00	.495	.504
76222RUM2	RHODE ISLAND STATE	05/01/2020	1.625	1.520	2,660,000.00	2,670,719.80	100.403000	2,670,719.80	0.00	.578	.586
3733845L6	GEORGIA STATE	07/01/2020	3.000	1.370	6,825,000.00	7,254,770.25	106.297000	7,254,770.25	0.00	.740	.753
419792NE2	HAWAII STATE	10/01/2019	1.151	1.101	2,250,000.00	2,253,262.50	100.145000	2,253,262.50	0.00	.003	.003
419792NF9	HAWAII STATE	10/01/2020	1.370	1.319	2,250,000.00	2,254,320.00	100.192000	2,254,320.00	0.00	.986	1.005
13063DAC2	STATE OF CALIFORNIA	04/01/2021	2.625	2.011	14,400,000.00	14,688,720.00	102.005000	14,688,720.00	0.00	1.450	1.504
76222RWT5	RHODE ISLAND ST & PROV PLANT	04/01/2020	2.750	2.451	3,065,000.00	3,082,378.55	100.567000	3,082,378.55	0.00	.490	.504
76222RWU2	RHODE ISLAND ST & PROV PLANT	04/01/2021	2.750	2.551	3,150,000.00	3,167,766.00	100.564000	3,167,766.00	0.00	1.444	1.504
13063DGA0	STATE OF CALIFORNIA	04/01/2021	2.800	2.799	16,000,000.00	16,000,640.00	100.004000	16,000,640.00	0.00	1.442	1.504
13063DAC2	STATE OF CALIFORNIA	04/01/2021	2.625	2.850	1,795,000.00	1,784,301.80	99.404000	1,784,301.80	0.00	1.444	1.504
13063DAD0	STATE OF CALIFORNIA	04/01/2022	2.367	2.960	1,500,000.00	1,468,800.00	97.920000	1,468,800.00	0.00	2.380	2.504
544351MM8	CITY OF LOS ANGELES	09/01/2021	4.000	2.919	8,915,000.00	9,200,993.20	103.208000	9,200,993.20	0.00	1.835	1.923
13063DAD0	STATE OF CALIFORNIA	04/01/2022	2.367	3.120	17,695,000.00	17,256,340.95	97.521000	17,256,340.95	0.00	2.378	2.504
13063DAD0	STATE OF CALIFORNIA	04/01/2022	2.367	3.290	25,000,000.00	24,275,250.00	97.101000	24,275,250.00	0.00	2.376	2.504
13063DGA0	STATE OF CALIFORNIA	04/01/2021	2.800	2.680	10,825,000.00	10,852,170.75	100.251000	10,852,170.75	0.00	1.442	1.504
419792YK6	STATE OF HAWAII	01/01/2021	3.250	2.733	12,745,000.00	12,864,165.75	100.935000	12,864,165.75	0.00	1.217	1.258
419792YL4	STATE OF HAWAII	01/01/2022	2.770	2.770	3,500,000.00	3,500,000.00	100.000000	3,500,000.00	0.00	2.163	2.258
419792YJ9	STATE OF HAWAII	01/01/2020	2.650	2.650	7,500,000.00	7,500,000.00	100.000000	7,500,000.00	0.00	.251	.255
13063CSQ4	STATE OF CALIFORNIA	04/01/2020	1.800	2.501	14,830,000.00	14,729,897.50	99.325000	14,729,897.50	0.00	.492	.504
368079HQ5	GAVILAN CMNTY CLG GO	08/01/2020	2.470	2.470	1,650,000.00	1,650,000.00	100.000000	1,650,000.00	0.00	.820	.838
			2.539	**2.583**	**166,610,000.00**	**166,509,497.05**	**99.939678**	**166,509,497.05**	**0.00**	**1.400**	**1.462**
3020: COMMERCIAL PAPER											
16677KY80	CHEVRON	11/08/2019	2.440	2.478	100,000,000.00	98,468,222.22	99.778333	99,778,333.33	1,310,111.11	.104	.107
03785EY65	APPLE	11/06/2019	2.510	2.549	25,000,000.00	24,620,013.89	99.790000	24,947,500.00	327,486.11	.099	.101
03785DAF3	APPLE	01/15/2020	2.430	2.470	30,000,000.00	29,518,050.00	99.387556	29,816,266.67	298,216.67	.286	.293
30229BXP7	EXXON MOBIL	10/23/2019	2.200	2.215	25,000,000.00	24,825,833.25	99.871667	24,967,916.67	142,083.42	.062	.063
63763PA90	NATL SEC CLEARING CORP	01/09/2020	2.100	2.124	25,000,000.00	24,721,458.33	99.422222	24,855,555.56	134,097.23	.271	.277
30229BXP7	EXXON MOBIL	10/23/2019	2.190	2.204	25,000,000.00	24,838,791.67	99.871667	24,967,916.67	129,125.00	.062	.063
03785EX90	APPLE	10/09/2019	2.140	2.151	35,000,000.00	34,827,313.89	99.953333	34,983,666.67	156,352.78	.024	.025
93114FX74	WAL-MART STORES INC	10/07/2019	2.150	2.160	15,000,000.00	14,928,333.33	99.965000	14,994,750.00	66,416.67	.019	.019
30229BXH5	EXXON MOBIL	10/17/2019	2.130	2.139	12,600,000.00	12,545,578.50	99.906667	12,588,240.00	42,661.50	.046	.047
63763QXN2	NATL SEC CLEARING CORP	10/22/2019	2.100	2.110	15,000,000.00	14,931,750.00	99.877500	14,981,625.00	49,875.00	.059	.060
63763QX93	NATL SEC CLEARING CORP	10/09/2019	2.100	2.108	25,000,000.00	24,909,583.33	99.953333	24,988,333.33	78,750.00	.024	.025
63763PAD1	NATL SEC CLEARING CORP	01/13/2020	1.950	1.966	50,000,000.00	49,585,625.00	99.399111	49,699,555.56	113,930.56	.282	.288
63763PAF6	NATL SEC CLEARING CORP	01/15/2020	1.950	1.967	25,000,000.00	24,790,104.17	99.387556	24,846,888.89	56,784.72	.287	.293
03785DAQ9	APPLE	01/24/2020	1.980	1.998	55,000,000.00	54,506,925.00	99.335556	54,634,555.56	127,630.56	.311	.318
63763PAF6	NATL SEC CLEARING CORP	01/15/2020	1.950	1.966	35,000,000.00	34,709,937.50	99.387556	34,785,644.44	75,706.94	.287	.293
63763PAQ2	NATL SEC CLEARING CORP	01/24/2020	1.910	1.925	15,000,000.00	14,879,829.17	99.335556	14,900,333.33	20,504.16	.312	.318
16677KZL0	CHEVRON	12/20/2019	1.950	1.962	15,000,000.00	14,907,375.00	99.531111	14,929,666.67	22,291.67	.217	.222
16677JAV8	CHEVRON	01/29/2020	1.950	1.966	33,247,000.00	32,982,270.76	99.310000	33,017,595.70	35,324.94	.325	.332
16677KYL1	CHEVRON	11/20/2019	1.990	1.999	15,000,000.00	14,936,154.17	99.708333	14,956,250.00	20,095.83	.137	.140
30229BY68	EXXON MOBIL	11/06/2019	1.970	1.977	35,000,000.00	34,883,168.06	99.790000	34,926,500.00	43,331.94	.099	.101
63763QYL5	NATL SEC CLEARING CORP	11/20/2019	2.010	2.018	25,000,000.00	24,902,291.67	99.708333	24,927,083.33	24,791.66	.137	.140
16677JA89	CHEVRON	01/08/2020	1.950	1.963	15,000,000.00	14,903,312.50	99.428000	14,914,200.00	10,887.50	.269	.274
63763QYV3	NATL SEC CLEARING CORP	11/29/2019	2.050	2.058	25,000,000.00	24,898,923.61	99.655833	24,913,958.33	15,034.72	.161	.164
			2.124	**2.143**	**675,847,000.00**	**670,020,845.02**	**99.626444**	**673,322,335.71**	**3,301,490.69**	**.175**	**.179**
3130: CORP-Fxd-S 30/360											
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.273	6,350,000.00	6,297,739.50	99.952000	6,346,952.00	49,212.50	.349	.353
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.277	6,000,000.00	5,951,100.00	99.952000	5,997,120.00	46,020.00	.349	.353
594918BG8	MICROSOFT CORP	11/03/2020	2.000	2.543	25,000,000.00	24,649,750.00	100.166000	25,041,500.00	391,750.00	1.063	1.096
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.354	3,000,000.00	2,971,440.00	99.952000	2,998,560.00	27,120.00	.349	.353
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.373	4,097,000.00	4,057,013.28	99.952000	4,095,033.44	38,020.16	.349	.353
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.388	8,000,000.00	7,920,160.00	99.952000	7,996,160.00	76,000.00	.349	.353
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.414	16,000,000.00	15,832,480.00	99.952000	15,992,320.00	159,840.00	.349	.353
478160BS2	JOHNSON & JOHNSON	03/01/2021	1.650	2.646	12,000,000.00	11,663,160.00	99.797000	11,975,640.00	312,480.00	1.389	1.419
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.469	10,000,000.00	9,887,000.00	99.952000	9,995,200.00	108,200.00	.349	.353

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
478160BS2	JOHNSON & JOHNSON	03/01/2021	1.650	2.625	12,969,000.00	12,617,410.41	99.797000	12,942,672.93	325,262.52	1.389	1.419
594918AY0	MICROSOFT CORP	02/12/2020	1.850	2.691	16,880,000.00	16,654,820.80	99.916000	16,865,820.80	211,000.00	.365	.370
931142DY6	WALMART	10/09/2019	1.750	2.824	25,000,000.00	24,752,750.00	99.990000	24,997,500.00	244,750.00	.024	.025
931142DY6	WALMART	10/09/2019	1.750	2.838	22,029,000.00	21,812,234.64	99.990000	22,026,797.10	214,562.46	.024	.025
478160BS2	JOHNSON & JOHNSON	03/01/2021	1.650	3.149	10,295,000.00	9,955,059.10	99.797000	10,274,101.15	319,042.05	1.385	1.419
594918BG8	MICROSOFT CORP	11/03/2020	2.000	2.912	10,100,000.00	9,929,411.00	100.166000	10,116,766.00	187,355.00	1.061	1.096
			1.815	**2.648**	**187,720,000.00**	**184,951,528.73**	**99.969179**	**187,662,143.42**	**2,710,614.69**	**.597**	**.611**
	Total Fund		**2.003**	**2.132**	**6,352,364,944.14**	**6,333,085,946.48**	**99.994050**	**6,351,986,977.01**	**18,901,030.53**	**1.062**	**1.103**

The Mission Inn, Downtown Riverside. Digital Image. *The Mission Inn*. http://www.missioninn.com/about-en.html.

COUNTY OF RIVERSIDE
TREASURER-TAX COLLECTOR
CAPITAL MARKETS

COUNTY ADMINISTRATIVE CENTER
4080 LEMON STREET,
4TH FLOOR,
RIVERSIDE, CA 92502-2205

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