NEW ISSUE — FULL BOOK-ENTRY **RATINGS: Moody's: "Aa2"; S&P: "AA"**
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 and corporations. 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.

$88,924,145.30
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)

$45,004,145.30 Election of 2004 General Obligation Bonds, Series 2015E	$43,920,000.00 2015 General Obligation Refunding Bonds

Dated: Date of Delivery **Due: August 1, as shown on the inside front cover pages**

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 not otherwise defined shall have the meanings set forth herein.

The Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E (the "New Money 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 fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $350,000,000 principal amount of general obligation bonds of the District. The New Money Bonds are being issued to (i) finance the costs of renovating, acquiring, constructing, repairing and equipping District buildings and other facilities and (ii) pay certain costs of issuance of the New Money Bonds.

The Riverside Community College District (Riverside and San Bernardino Counties, California) 2015 General Obligation Refunding Bonds (the "Refunding Bonds," and together with the New Money Bonds, the "Bonds"), are being issued by the District to (i) advance refund the District's outstanding Election of 2004 General Obligation Bonds, Series 2007C (the "Prior Bonds") and (ii) pay certain costs of issuance of the Refunding Bonds.

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Riverside County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal and Accreted Value (as defined herein) 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 of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive certificates representing their interest in the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The New Money Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"), and the Refunding Bonds will be issued as Current Interest Bonds. Interest on the Current Interest Bonds accrues from their Date of Delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Capital Appreciation Bonds accrete interest from their Date of Delivery, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Current Interest Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds are issuable in denominations of $5,000 Maturity Value, or any integral multiple thereof.

Payments of principal and Accreted Value of and interest on the Bonds will be made by U.S. Bank National Association, as the designated Paying Agent, Bond Registrar and Transfer Agent (in such capacity, 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 further described herein.

MATURITY SCHEDULE
(See inside front cover pages)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California. It is anticipated that the Bonds in definitive form will be available for delivery through the facilities of Cede & Co., as nominee of The Depository Trust Company, in New York, New York, on or about July 1, 2015.

PiperJaffray®

Dated: June 4, 2015

MATURITY SCHEDULE

$45,004,145.30
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)
Election of 2004 General Obligation Bonds,
Series 2015E

Base CUSIP†: 76886P

$3,855,000.00 Current Interest Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP(†)
2015	$1,570,000.00	5.000%	0.220%	FG3
2016	1,020,000.00	5.000	0.450	FH1
2017	1,265,000.00	5.500	0.780	FJ7

$41,149,145.30 Capital Appreciation Serial Bonds

Maturity (August 1)	Denominational Amount	Accretion Rate	Reoffering Yield	Maturity Value	CUSIP(†)
2026	$1,648,690.80	3.810%	3.810%	$2,505,000.00	FK4
2027	1,701,129.85	4.030	4.030	2,755,000.00	FL2
2028	1,538,133.60	4.260	4.260	2,670,000.00	FM0
2029	1,608,228.45	4.440	4.440	2,985,000.00	FN8
2030	1,633,830.90	4.570	4.570	3,230,000.00	FP3
2031	1,340,035.80	4.680	4.680	2,820,000.00	FQ1
2032	3,955,240.80	4.750	4.750	8,820,000.00	FR9
2033	4,106,904.45	4.830	4.830	9,735,000.00	FS7
2034	4,068,051.80	4.870	4.870	10,190,000.00	FT5
2035	4,016,600.00	4.910	4.910	10,640,000.00	FU2
2036	3,964,387.05	4.950	4.950	11,115,000.00	FV0
2037	3,907,867.70	4.990	4.990	11,605,000.00	FW8
2038	3,857,173.70	5.020	5.020	12,115,000.00	FX6
2039	3,802,870.40	5.050	5.050	12,640,000.00	FY4

(†) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC 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 CUSIP Services. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

$43,920,000
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)
2015 General Obligation Refunding Bonds

Base CUSIP[†]: 76886P

$43,920,000 Current Interest Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(†)]
2015	$935,000	2.000%	0.220%	FZ1
2016	100,000	2.000	0.450	GA5
2017	100,000	2.000	0.780	GB3
2018	100,000	2.000	1.190	GC1
2019	100,000	2.000	1.430	GD9
2020	100,000	2.000	1.640	GE7
2021	100,000	3.000	1.890	GF4
2022	100,000	3.000	2.060	GG2
2023	100,000	3.000	2.240	GH0
2024	100,000	3.000	2.440	GJ6
2025	100,000	3.000	2.610	GK3
2026	100,000	3.000	2.950[(1)]	GL1
2027	100,000	3.000	3.220	GM9
2028	9,060,000	5.000	3.110[(1)]	GN7
2029	9,870,000	5.000	3.190[(1)]	GP2
2030	5,250,000	4.000	3.470[(1)]	GQ0
2030	5,555,000	5.000	3.270[(1)]	GR8
2031	11,665,000	5.000	3.330[(1)]	GS6
2032	385,000	3.500	3.800	GT4

(†) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC 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 CUSIP Services. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

(1) Yield to call at par on August 1, 2025.

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 by Section 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. 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.

Certain information set forth herein has been obtained from sources outside the District which are believed to be reliable, but such information 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 do not guarantee the accuracy or the completeness of such information" herein.

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 FRONT COVER PAGES AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on the District's website 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

District Administration

Michael L. Burke, Ph.D., *Chancellor*
Aaron S. Brown, *Vice Chancellor, Business and Financial Services*
Chris Carlson, *Chief of Staff and Facilities Development*
Michael Reiner, Ph.D., *Vice Chancellor, Educational Service, Workforce Development and Planning*
Sylvia Thomas, *Interim Vice Chancellor, Diversity and Human Resources*
Paul Parnell, Ph.D., *President, Norco College*
Wolde-Ab Isaac, Ph.D., *President, Riverside City College*
Sandra Mayo, Ed.D., *President, Moreno Valley College*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

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

Financial 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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$88,924,145.30
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside and San Bernardino Counties, California)

$45,004,145.30 **Election of 2004 General Obligation Bonds,** **Series 2015E**	**$43,920,000.00** **2015 General Obligation Refunding Bonds**

INTRODUCTION

This Official Statement, which includes the cover, inside front cover pages, and appendices hereto, provides information in connection with the sale of the (i) Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E (the "New Money Bonds") and (ii) Riverside Community College District (Riverside and San Bernardino Counties, California) 2015 General Obligation Refunding Bonds (the "Refunding Bonds," and together with the New Money 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, inside front 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 2014-15, the District has an assessed valuation of $83,625,392,181, and the District's full-time equivalent students ("FTES") count is projected to be 27,582 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 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. Michael L. Burke, Ph.D. is the District's current Chancellor. See "RIVERSIDE COMMUNITY COLLEGE DISTRICT" herein.

Purpose of the Bonds

New Money Bonds. The proceeds from the sale of the New Money Bonds will be used by the District to (i) finance the costs of renovating, acquiring, constructing, repairing and equipping District buildings and other facilities and (ii) pay certain costs of issuance of the New Money Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS – New Money Bonds" herein.

Refunding Bonds. The proceeds from the sale of the Refunding Bonds will be used by the District to (i) advance refund the outstanding Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C (the "2007C Bonds") and (ii) pay certain costs of issuance of the Refunding Bonds. The 2007C Bonds to be refunded with proceeds of the Refunding Bonds are referred to herein as the "Refunded Bonds." See "ESTIMATED SOURCES AND USES OF FUNDS – Refunding Bonds" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the California Government Code and other applicable law, and pursuant to resolutions adopted by the Board and the County Board (as defined herein). See "The Bonds – Authority for Issuance" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of the principal and Accreted Value (as defined herein) 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 form only, without coupons, and will mature on August 1 in the years indicated on the inside front cover pages hereof. 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. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Refunding Bonds Resolutions and the New Money Bonds County Resolution (each, as defined herein), as applicable. See "THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

Current Interest Bonds and Capital Appreciation Bonds. The New Money Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). The Refunding Bonds will be issued only as Current Interest Bonds.

The Current Interest Bonds will bear interest on a periodic basis as further described herein. The Capital Appreciation Bonds will not bear interest on a periodic basis. The value at maturity of a Capital Appreciation Bond (the "Maturity Value") is equal to its Accreted Value upon the maturity thereof, such Accreted Value being composed of its initial principal amount (the "Denominational Amount") and the interest accreting thereon between the Date of Delivery (as defined herein) and its respective maturity date.

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 Maturity Value, as applicable, or any integral multiples thereof.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bondowners" 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.

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

Payments. Interest on the Current Interest Bonds accrues from their initial date of delivery (the "Date of Delivery"), and is payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing August 1, 2015. Principal of the Current Interest Bonds is payable on August 1 in the amounts and years as set forth on the inside front cover pages hereof. Interest on the Capital Appreciation Bonds accretes on the basis of a 360-day year of 12, 30-day months from the Date of Delivery at the Accretion Rates (as defined herein) set forth in the table of accreted values shown in APPENDIX F attached hereto, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Maturity Value of the Capital Appreciation Bonds (or Accreted Value, if redeemed prior to maturity) is payable on August 1, in the amounts and years as set forth in APPENDIX F attached hereto and on the inside front cover pages hereof.

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

Tax Matters

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 the 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 and corporations. 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 in book-entry form will be available for delivery through DTC in New York, New York on or about July 1, 2015.

Bond Owner's Risks

The Bonds are general obligations of the District, payable solely from *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District. For more complete information regarding the District's financial condition and taxation of property within the District, see "TAX BASE FOR REPAYMENT OF BONDS" and "RIVERSIDE COMMUNITY COLLEGE DISTRICT" herein.

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 Rule 15c2-12(b)(5) (the "Rule"). These covenants have been made in order to assist the Underwriter (as 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.

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," "intend," "expect," "estimate," "project," "budget" 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.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, acting as Bond Counsel and Disclosure Counsel to the District, and Keygent LLC, El Segundo, California, acting as financial advisor to the District, each with respect to the Bonds, 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 (the "Paying Agent") with respect to the Bonds and Escrow Agent (as defined herein) with respect to the Refunding Bonds and the Refunded Bonds. Certain matters are being passed upon for the Underwriter by Nossaman LLP, Irvine, California. Causey Demgen & Moore P.C. is acting as Verification Agent (as defined herein) with respect to the Refunding Bonds and the Refunded Bonds.

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, 4800 Magnolia Avenue, Riverside, California, Telephone: (951) 222-8789. 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 such information 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 by the Resolutions.

THE BONDS

Authority for Issuance

New Money Bonds. The New Money Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code, Article XIIIA of the State Constitution, and pursuant to resolutions adopted by the Board on May 5, 2015 (the "New Money Bonds District Resolution") and the County Board of Supervisors (the "County Board") on May 19, 2015 (the "New Money Bonds County Resolution," and together with the New Money Bonds District Resolution, the "New Money Bonds Resolutions"). The District received authorization at an election held on March 2, 2004 by the requisite fifty-five percent of the votes cast by eligible voters within the District to issue $350,000,000 of general obligation bonds (the "2004 Authorization").

The District has previously caused the issuance of several series of bonds pursuant to the 2004 Authorization. On August 3, 2004, the District caused the issuance of $55,205,000 aggregate principal amount of its Election of 2004, General Obligation Bonds, Series 2004A (the "2004A Bonds") and $9,795,000 aggregate principal amount of its Election of 2004, General Obligation Bonds, Series 2004B (Federally Taxable) (the "2004B Bonds"). On June 21, 2007, the District caused the issuance of $90,000,000 aggregate principal amount of its 2007C Bonds. On November 10, 2010, the District caused the issuance of $7,699,278.45 aggregate principal amount of its Election of 2004 General Obligation Bonds, Series 2010D (Tax-Exempt) (the "2010D Bonds") and $102,300,000 aggregate principal amount of its Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (the "2010D-1 Bonds"). The New Money Bonds are the sixth series of bonds issued pursuant to the 2004 Authorization. After the issuance of the New Money Bonds, $39,996,576.25 of the 2004 Authorization will remain unissued.

Refunding Bonds. The Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the State Government Code and other applicable law, and pursuant to resolutions adopted by the Board on March 18, 2014 and May 5, 2015 (together, the "Refunding Bonds Resolutions," and together with the New Money Bonds Resolutions, the "Resolutions").

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of the principal and Accreted Value of and interest on the Bonds when due. Such 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 and Accreted Value of and interest on of the Bonds when due. Such taxes, when collected, will be placed in the Debt Service Funds (as defined herein) for the applicable series of Bonds, which are segregated and held by the County and which are designated for the payment of the principal and Accreted Value of and interest on the Bonds when due, and for no other purpose. The District has pledged amounts on deposit in the respective Debt Service Funds to the payment of principal and Accreted Value of and interest on the applicable series of Bonds, and for no other purpose. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds, and the County will maintain the Debt Service Funds for the payment of the Bonds, the Bonds are not a debt of the County.

The moneys in the respective Debt Service Funds, to the extent necessary to pay the principal and Accreted Value of and interest on the Bonds as the same become due and payable, will be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and Accreted Value of and interest on the Bonds to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds 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 on the Bonds and the assessed valuation 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 land values, 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, flood, drought or toxic contamination, could cause a reduction in the assessed valuation 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 – Assessed Valuations" herein.

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 interest in the Bonds.

Current Interest Bonds. Interest on the Current Interest Bonds accrues from the Date of Delivery thereof, and is payable semiannually on each Bond Payment Date, commencing August 1, 2015. Interest on the Current Interest Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Current Interest Bond will 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 next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2015, in which event it will bear interest from the Date of Delivery. The Current Interest 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 inside front cover pages hereof.

Capital Appreciation Bonds. The Capital Appreciation Bonds are payable only at maturity (or earlier redemption, if applicable), and will not pay interest on a current basis. The Capital Appreciation Bonds accrete in value from the Date of Delivery at the Accretion Rates per annum set forth on the inside front cover pages hereof, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Maturity Value of a Capital Appreciation Bond is its Accreted Value at its maturity date. Interest with respect to each Capital Appreciation Bond is represented by the amount each such Bond accretes in value from its Denominational Amount to the date for which Accreted Value is calculated. The Accreted Value of a Capital Appreciation Bond is calculated by discounting on a 30-day month, 360-day year basis its Maturity Value on the basis of a constant interest rate (the "Accretion Rate") compounded semiannually on February 1 and August 1 of each year to the date for which an Accreted Value is calculated, and if the date for which Accreted Value is calculated is between February 1 and August 1, by pro-rating the Accreted Values to the closest prior or subsequent February 1 or August 1. See "APPENDIX F – Accreted Values Table" attached hereto. The Capital Appreciation Bonds are issuable in denominations of $5,000 Maturity Value or any integral multiple thereof (except for one odd denomination, if necessary).

Payments. Payment of interest on any Current Interest Bond will be made on any Bond Payment Date to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the close of business on the 15th day of the month immediately preceding any Bond Payment Date (a "Record Date"), such interest to be paid by wire transfer or check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate principal amount or Maturity Value of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest 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 Current Interest Bonds and the Accreted Value and redemption premiums, if any, payable on the Capital Appreciation Bonds will be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal and Accreted Value of and interest on the Bonds will 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. See "THE BONDS – Book-Entry Only System" herein.

Annual Debt Service

The following table summarizes the annual debt service requirements of the District for the New Money Bonds, assuming no optional redemptions are made:

	Current Interest Bonds		Capital Appreciation Bonds		
Period Ending August 1	Annual Principal Payment	Annual Interest Payment[(1)]	Annual Principal Payment[(2)]	Annual Accreted Interest Payment[(2)]	Total Debt Service
2015	$1,570,000.00	$16,589.58	--	--	$1,586,589.58
2016	1,020,000.00	120,575.00	--	--	1,140,575.00
2017	1,265,000.00	69,575.00	--	--	1,334,575.00
2018	--	--	--	--	--
2019	--	--	--	--	--
2020	--	--	--	--	--
2021	--	--	--	--	--
2022	--	--	--	--	--
2023	--	--	--	--	--
2024	--	--	--	--	--
2025	--	--	--	--	--
2026	--	--	$1,648,690.80	$856,309.20	2,505,000.00
2027	--	--	1,701,129.85	1,053,870.15	2,755,000.00
2028	--	--	1,538,133.60	1,131,866.40	2,670,000.00
2029	--	--	1,608,228.45	1,376,771.55	2,985,000.00
2030	--	--	1,633,830.90	1,596,169.10	3,230,000.00
2031	--	--	1,340,035.80	1,479,964.20	2,820,000.00
2032	--	--	3,955,240.80	4,864,759.20	8,820,000.00
2033	--	--	4,106,904.45	5,628,095.55	9,735,000.00
2034	--	--	4,068,051.80	6,121,948.20	10,190,000.00
2035	--	--	4,016,600.00	6,623,400.00	10,640,000.00
2036	--	--	3,964,387.05	7,150,612.95	11,115,000.00
2037	--	--	3,907,867.70	7,697,132.30	11,605,000.00
2038	--	--	3,857,173.70	8,257,826.30	12,115,000.00
2039	--	--	3,802,870.40	8,837,129.60	12,640,000.00
Totals	$3,855,000.00	$206,739.58	$41,149,145.30	$62,675,854.70	$107,886,739.58

(1) Interest payments on the Current Interest Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

(2) The Capital Appreciation Bonds are payable only at maturity (or earlier redemption, if applicable) on August 1 of the years indicated on the inside front cover pages hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on February 1 and August 1, commencing August 1, 2015.

The following table summarizes the annual debt service requirements of the District for the Refunding Bonds (assuming no optional redemptions are made):

Period Ending August 1	Annual Principal Payment	Annual Interest Payment[1]	Total Debt Service
2015	$935,000.00	$173,389.58	$1,108,389.58
2016	100,000.00	2,061,975.00	2,161,975.00
2017	100,000.00	2,059,975.00	2,159,975.00
2018	100,000.00	2,057,975.00	2,157,975.00
2019	100,000.00	2,055,975.00	2,155,975.00
2020	100,000.00	2,053,975.00	2,153,975.00
2021	100,000.00	2,051,975.00	2,151,975.00
2022	100,000.00	2,048,975.00	2,148,975.00
2023	100,000.00	2,045,975.00	2,145,975.00
2024	100,000.00	2,042,975.00	2,142,975.00
2025	100,000.00	2,039,975.00	2,139,975.00
2026	100,000.00	2,036,975.00	2,136,975.00
2027	100,000.00	2,033,975.00	2,133,975.00
2028	9,060,000.00	2,030,975.00	11,090,975.00
2029	9,870,000.00	1,577,975.00	11,447,975.00
2030	10,805,000.00	1,084,475.00	11,889,475.00
2031	11,665,000.00	596,725.00	12,261,725.00
2032	385,000.00	13,475.00	398,475.00
Totals	$43,920,000.00	$30,067,714.58	$73,987,714.58

[1] Interest payments on the Refunding Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

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

Application and Investment of Bond Proceeds

New Money Bonds. The New Money Bonds are being issued to (i) finance the costs of renovating, acquiring, constructing, repairing and equipping District buildings and other facilities and (ii) pay certain costs of issuance of the New Money Bonds.

Building Fund. The purchase price received by the District from the sale of the New Money Bonds, to the extent of the principal amount thereof and net costs of issuance, will be paid to the County to the credit of the fund to be known as the "Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E Building Fund" (the "Building Fund"). The Building Fund will be kept separate and apart from all other District and County funds, and those proceeds will be applied to renovate, acquire, construct, repair and equip District buildings and other facilities as authorized by the voters of the District in the 2004 Authorization. The County will have no responsibility for assuring proper use of New Money Bonds proceeds by the District. Any interest earnings on moneys held in the Building Fund will be retained in the Building Fund.

Debt Service Fund. The purchase price received by the District from the sale of the New Money Bonds, to the extent of any accrued interest and net original issue premium, will be paid to the County to the credit of the fund to be known as the "Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E Debt Service Fund" (the "New Money Bonds Debt Service Fund") and used only for payment of the interest on the New Money Bonds. Any excess proceeds of the New Money Bonds not needed for the authorized purposes for which the New Money Bonds are being issued shall be transferred to the New Money Bonds Debt Service Fund and applied to the payment of the principal and Accreted Value of and interest on the New Money Bonds. If, after payment in full of the New Money Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Any interest earnings on moneys held in the New Money Bonds Debt Service Fund shall be retained in the New Money Bonds Debt Service Fund.

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

Escrow Fund. The net proceeds from the sale of the Refunding Bonds will be deposited with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), to the credit of the "Riverside Community College District, 2015 General Obligation Refunding Bonds Escrow Fund" (the "Escrow Fund"). Pursuant to an escrow agreement (the "Escrow Agreement") relating to the Refunded Bonds, by and between the District and the Escrow Agent, a portion of the amount deposited in the Escrow Fund will be used to purchase certain Federal Securities, as such term is defined in the Refunding Bonds Resolutions, 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, 2017, such date being the first optional redemption date therefor, as well as the interest due on such Refunded Bonds on and before such date.

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of, and the accrued interest due on, the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., Denver, Colorado, as 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 Underwriter's and the Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for the payment of the Refunded Bonds will terminate.

Debt Service Fund. Any accrued interest received by the District from the sale of the Refunding Bonds will be kept separate and apart in the fund designated as the "Riverside Community College District, 2015 General Obligation Refunding Bonds Debt Service Fund" (the "Refunding Bonds Debt Service Fund" and together with the New Money Bonds Debt Service Fund, the "Debt Service Funds") and used by the District only for payment of principal of and interest on the Refunding Bonds. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes for which the Refunding Bonds are being issued shall be transferred to the Refunding Bonds Debt Service Fund and applied to the payment of the principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Moneys in the Building Fund and the respective Debt Service Funds are expected to be invested through the County's pooled investment fund. See "APPENDIX E - RIVERSIDE COUNTY POOLED INVESTMENT FUND" attached hereto.

Redemption

Optional Redemption.

New Money Bonds. The Capital Appreciation Bonds 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 February 1, 2025, at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds as of the date fixed for redemption, without premium.

Refunding Bonds. The Refunding Bonds maturing on or before August 1, 2025 are not subject to redemption. The Refunding Bonds maturing on or after August 1, 2026 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, 2025, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, without premium, together with interest accrued thereon to the date fixed for redemption.

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 shall determine; *provided, however,* that (a) the portion of any Current Interest Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof, and (b) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value thereof.

Notice of Redemption. When redemption is authorized or required pursuant to the Refunding Bonds Resolutions and the New Money Bonds County Resolution, as applicable, upon written instruction from the District, the Paying Agent 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 or Accreted Value of such Bond to be redeemed, and (g) the original issue date, interest rate or Accretion 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 the 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 (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) 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 (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may otherwise be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention: Editor; Mergent Inc., 585 Kingsley Park Drive, Fort Mill, South Carolina 29715, Attention: Called Bond Department; and Standard and Poor's J.J. Kenny Information Services' "Called Bond Record," 55 Water Street, 45th Floor, New York, New York 10041.

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

A certificate of the Paying Agent to the effect that a Redemption Notice has been given as provided in the Refunding Bonds Resolutions and the New Money Bonds County Resolution, as applicable, 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 shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Rescission of Notice of Redemption. With respect to any notice of 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 and Accreted Value of, and 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 such rescission in the same manner as the Redemption Notice was originally provided.

Payment of Redeemed Bonds. When notice of redemption has been given substantially as described above, and when the amount necessary for the redemption of the Bonds called for redemption (principal and interest or Accreted Value, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "— Defeasance" herein, the Bonds designated for redemption 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 notice of redemption, said Bonds will be redeemed and paid at the redemption price thereof. 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 execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered (the "Transfer Amount"). Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

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

All Bonds paid at maturity or redeemed prior to maturity pursuant to the Refunding Bonds Resolutions and the New Money Bonds County Resolution, as applicable, will be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District will be cancelled by the Paying Agent.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, 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, if applicable, to the date fixed for redemption, then such Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

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 or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of principal or Accreted Value of, interest on, or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation of 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, DTC Participants or DTC 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 DTC, New York, NY, 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 in the aggregate principal amount of such issue, 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 Bonds 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 Bonds 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 S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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 ownership interest of each actual purchaser of each Bond ("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 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 effect 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.

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 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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, distributions, and dividend payments 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 District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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, Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or 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 District or 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.

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 principal 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 will, 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 Refunding Bonds Resolutions and the New Money Bonds County Resolution, as applicable.

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

The principal and Accreted Value of the Bonds and any interest upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the principal trust office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered Owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered Owner of at least $1,000,000 in aggregate principal amount, interest payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, 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. Current Interest Bonds and Capital Appreciation Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) 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 amounts then transferred from the applicable Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, accrued interest thereon and redemption premium, 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 (as defined herein) together with amounts transferred from the applicable Debt Service Fund, if any, 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 or Accreted Value thereof, accrued interest thereon and redemption premiums, if any), at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District, the Paying Agent, and the County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the County and the Paying Agent or an 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, or 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 “prerefunded” municipal obligations rated in the highest rating category by Moody’s Investors Service (“Moody’s”) or Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”). 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 (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) 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 (c) 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 by Moody’s or S&P.

ESTIMATED SOURCES AND USES OF FUNDS

New Money Bonds. The estimated sources and uses of funds with respect to the New Money Bonds are as follows:

Sources of Funds	
Principal Amount of New Money Bonds	$45,004,145.30
Net Original Issue Premium	179,460.20
Total Sources	$45,183,605.50
Uses of Funds	
Building Fund	$44,815,195.68
Costs of Issuance[(1)]	368,409.82
Total Uses	$45,183,605.50

[(1)] Reflects the costs of issuing the New Money Bonds, including, but not limited to, legal fees, Underwriter’s discount, financial advisory fees, printing costs, rating agency fees, the costs and fees of the Paying Agent, and other costs of issuance of the New Money Bonds.

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

Sources of Funds	
Principal Amount of Refunding Bonds	$43,920,000.00
Net Original Issue Premium	5,734,796.85
Total Sources	$49,654,796.85
Uses of Funds	
Escrow Fund	$49,284,377.84
Costs of Issuance[(1)]	370,419.01
Total Uses	$49,654,796.85

[(1)] Reflects the costs of issuing the Refunding Bonds, including, but not limited to, legal fees, Underwriter’s discount, financial advisory fees, printing costs, rating agency fees, the costs and fees of the Paying Agent, Escrow Agent and Verification Agent, and other costs of issuance of the Refunding 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 and Accreted Value of and interest on the Bonds are payable solely from* 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 county, city and special district taxes. Assessed valuations are the same for both District and County 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. Other property is assessed on the "unsecured roll." 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 its 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 due in two installments, November 1 and February 1 of the fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment, plus a minimum $10 cost on the second installment, plus any additional amount to be determined by the County tax collector. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption and a redemption fee. If taxes are unpaid for a period of five years or more, the property is then subject to sale by the County tax collector (or similar officer).

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, an additional penalty of 1.5% per month begins to accrue beginning on November 1 of the fiscal year, and a lien may be recorded against the assessee. The County's 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 applicable 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.

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 (as defined herein) 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

Property within the District has a total assessed valuation for fiscal year 2014-15 of $83,625,392,181. The following table shows the assessed valuation for the District for fiscal years 2006-07 through 2014-15.

ASSESSED VALUATIONS[1]
Fiscal Years 2006-07 through 2014-15
Riverside Community College District

	Local Secured	Utility	Unsecured	Total
2006-07	$69,414,949,841	$41,598,811	$3,080,320,192	$72,536,868,844
2007-08	80,943,923,323	21,271,229	3,468,230,073	84,433,424,625
2008-09	81,907,350,376	20,803,791	3,832,576,268	85,760,730,435
2009-10	72,856,368,535	17,341,229	3,679,778,103	76,553,487,867
2010-11	70,884,555,342	17,070,552	3,510,312,658	74,411,938,552
2011-12	71,033,382,597	18,140,282	3,671,974,029	74,723,496,908
2012-13	71,470,772,646	12,804,788	3,662,046,742	75,145,624,176
2013-14	74,096,179,170	12,523,766	3,588,456,165	77,697,159,101
2014-15	80,017,762,370	13,047,188	3,594,582,623	83,625,392,181

[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 fiscal year 2014-15 assessed valuation of 2014-15 of $770,522. 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.

Economic and other factors beyond the District's control, such as general market decline in 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, 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 rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Drought. On January 17, 2014, the Governor declared a State-wide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history; the State's rivers and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. As part of his State of Emergency declaration, the Governor directed State officials to assist agricultural producers and communities that may be economically impacted by dry conditions. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. On April 1, 2015, the Governor issued an executive order mandating certain conservation measures including a requirement that the Water Board impose restrictions to achieve a statewide 25% reduction in urban water usage through February 28, 2016.

The District cannot make any representation regarding the effects that the current drought has had, or, if it should continue, may have on the value of taxable property within the District, or to what extent the drought could cause disruptions to economic activity within the boundaries of the District.

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, with the appropriate county board of equalization or assessment appeals board. In most cases, an 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. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

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. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein. Such reductions 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.

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 will not significantly reduce the assessed valuation of property within the District.

Assessed Valuation of Single Family Homes

The following table displays the per-parcel analysis of single family residences within the District, in terms of their fiscal year 2014-15 assessed valuation.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2014-15
Riverside Community College District

	No. of Parcels	2014-15 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	201,187	$50,765,670,015	$252,331	$222,655

2014-15 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	517	0.257%	0.257%	$9,850,234	0.019%	0.019%
25,000 - 49,999	3,791	1.884	2.141	151,951,885	0.299	0.319
50,000 - 74,999	5,909	2.937	5.078	369,190,760	0.727	1.046
75,000 - 99,999	7,304	3.630	8.709	645,678,666	1.272	2.318
100,000 - 124,999	11,981	5.955	14.664	1,356,169,509	2.671	4.989
125,000 - 149,999	16,642	8.272	22.936	2,291,559,649	4.514	9.503
150,000 - 174,999	19,325	9.605	32.541	3,141,255,443	6.188	15.691
175,000 - 199,999	19,210	9.548	42.090	3,598,117,216	7.088	22.779
200,000 - 224,999	17,320	8.609	50.699	3,672,736,475	7.235	30.013
225,000 - 249,999	15,748	7.828	58.526	3,730,600,276	7.349	37.362
250,000 - 274,999	13,281	6.601	65.127	3,476,639,785	6.848	44.210
275,000 - 299,999	10,562	5.250	70.377	3,028,265,635	5.965	50.176
300,000 - 324,999	9,012	4.479	74.857	2,808,829,821	5.533	55.709
325,000 - 349,999	7,927	3.940	78.797	2,672,695,303	5.265	60.973
350,000 - 374,999	7,375	3.666	82.463	2,668,703,205	5.257	66.230
375,000 - 399,999	6,516	3.239	85.701	2,519,408,882	4.963	71.193
400,000 - 424,999	5,295	2.632	88.333	2,180,870,905	4.296	75.489
425,000 - 449,999	4,747	2.359	90.693	2,072,078,978	4.082	79.571
450,000 - 474,999	4,446	2.210	92.903	2,053,521,683	4.045	83.616
475,000 - 499,999	3,547	1.763	94.666	1,725,242,340	3.398	87.014
500,000 and greater	10,732	5.334	100.000	6,592,303,365	12.986	100.000
Total	201,187	100.000%		$50,765,670,015	100.000%	

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

Assessed Valuation and Parcels by Land Use

The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2014-15 local secured assessed valuation of such parcels.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2014-15
Riverside Community College District

	2014-15 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	$497,040,836	0.62%	1,054	0.40%
Commercial/Industrial	15,227,307,076	19.03	10,806	4.09
Vacant Commercial/Industrial	2,093,705,496	2.62	5,319	2.02
Government/Social/Institutional	755,772,093	0.94	462	0.18
Miscellaneous	18,193,681	0.02	331	0.13
Subtotal Non-Residential	$18,592,019,182	23.23%	17,972	6.81%
Residential:				
Single Family Residence	$50,765,670,015	63.44%	201,187	76.22%
Condominium/Townhouse	1,877,473,761	2.35	11,905	4.51
Mobile Home	283,166,263	0.35	4,355	1.65
Mobile Home Park	111,516,168	0.14	97	0.04
2+ Residential Units/Apartments	6,940,815,050	8.67	4,291	1.63
Vacant Residential	1,132,921,085	1.42	19,603	7.43
Subtotal Residential	$61,111,562,342	76.37%	241,438	91.47%
Other Vacant	$314,180,846	0.39%	4,555	1.73%
Total	$80,017,762,370	100.00%	263,965	100.00%

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

Assessed Valuation by Jurisdiction

The following table shows the District's fiscal year 2014-15 assessed valuation by jurisdiction.

ASSESSED VALUATION BY JURISDICTION[1]
Fiscal Year 2014-15
Riverside Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Corona	$17,298,729,318	20.69%	$17,298,729,318	100.00%
City of Eastvale	7,591,778,770	9.08	7,591,778,770	100.00
City of Jurupa Valley	7,373,132,922	8.82	7,373,758,322	99.99
City of Moreno Valley	12,189,458,228	14.58	12,199,658,731	99.92
City of Norco	2,747,010,883	3.28	2,747,010,883	100.00
City of Perris	2,459,351,857	2.94	4,396,577,460	55.94
City of Riverside	24,614,768,393	29.43	24,614,768,393	100.00
Unincorporated Riverside County	9,351,161,810	11.18	34,589,271,495	27.03
Total District	$83,625,392,181	100.00%		
Total Riverside County	$83,625,392,181	100.00%	$225,770,065,829	37.04%

(1) Before deduction of redevelopment incremental valuation.
Source: California Municipal Statistics, Inc.

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 2007-08 through 2013-14.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2007-08 through 2013-14
Riverside Community College District

	Secured Tax Charge[1]	Amount Delinquent (as of June 30)	Percent Delinquent (as of June 30)
2007-08	$10,079,820.88	$950,350.31	9.43%
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

(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 and Accreted Value 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.

Largest Property Owners

The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2014-15 local secured assessed valuations.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2014-15
Riverside Community College District

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total[1]
1.	Ross Dress for Less Inc.	Industrial	$285,327,307	0.36%
2.	Kaiser Foundation Health Plan Inc.	Medical Buildings	203,674,900	0.25
3.	Tyler Mall LP	Shopping Center	195,438,624	0.24
4.	Watson Laboratories Inc.	Industrial	186,988,189	0.23
5.	Castle & Cooke Corona Crossings I & II Inc.	Shopping Center	173,968,839	0.22
6.	Prologis Calif I	Industrial	153,631,940	0.19
7.	Walgreen Co.	Industrial	151,364,925	0.19
8.	Lowes HIW Inc.	Industrial	146,779,690	0.18
9.	DB Rreef Perris CA Inc.	Industrial	132,642,622	0.17
10.	Teachers Insurance and Annuity Association	Industrial	132,504,970	0.17
11.	Riverside Healthcare System	Medical Buildings	132,447,947	0.17
12.	HF Logistics XKX T1	Industrial	128,078,892	0.16
13.	Homecoming at Eastvale	Apartments	127,987,699	0.16
14.	Costco Wholesale Corp.	Industrial	118,671,890	0.15
15.	IIT Inland Empire Logistics Center	Industrial	118,635,616	0.15
16.	La Sierra University	Apartments	111,261,968	0.14
17.	Sysco Riverside Inc.	Industrial	109,874,316	0.14
18.	Rexco Magnolia	Industrial	107,345,836	0.13
19.	AMB Institutional Alliance Fund III	Industrial	102,098,627	0.13
20.	Wal Mart Real Estate Business Trust	Industrial/Commercial	100,422,636	0.13
			$2,919,147,433	3.65%

(1) The fiscal year 2014-15 local secured assessed valuation of the District is $80,017,762,370.
Source: California Municipal Statistics, Inc.

Tax Rates

Representative tax rate areas (each, a "TRA") located within the District are TRA's 9-002, 4-000, and 27-002. The table below shows the total *ad valorem* tax rates, as a percentage of assessed valuation, levied by all taxing entities in these TRA's during the five-year period from fiscal years 2010-11 through 2014-15.

TYPICAL TAX RATES (TRA 9-002)
Fiscal Years 2010-11 through 2014-15
Riverside Community College District

TRA 9-002 – 2014-15 Assessed Valuation: $5,394,436,182

	2010-11	2011-12	2012-13	2013-14	2014-15
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
City of Riverside	.00575	.00571	.00572	.00673	.00626
Riverside Community College District	.01499	.01700	.01702	.01768	.01791
Riverside Unified School District	.05670	.05698	.05307	.05307	.05307
Metropolitan Water District	.00370	.00370	.00350	.00350	.00350
Total	1.08114%	1.08339%	1.07931%	1.08098%	1.08074%

TRA 4-000 – 2014-15 Assessed Valuation: $2,541,635,389

	2010-11	2011-12	2012-13	2013-14	2014-15
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Corona-Norco Unified School District	.04524	.06614	.06543	.06844	.06473
Riverside Community College District	.01499	.01700	.01702	.01768	.01791
Metropolitan Water District	.00370	.00370	.00350	.00350	.00350
Total	1.06393%	1.08684%	1.08595%	1.08962%	1.08614%

TRA 27-002 – 2014-15 Assessed Valuation: $3,065,065,447

	2010-11	2011-12	2012-13	2013-14	2014-15
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Corona-Norco Unified School District	.04524	.06614	.06543	.06844	.06473
Riverside Community College District	.01499	.01700	.01702	.01768	.01791
Metropolitan Water District	.00370	.00370	.00350	.00350	.00350
Total	1.06393%	1.08684%	1.08595%	1.08962%	1.08614%

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 April 1, 2015. 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 on the following page 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

2014-15 Assessed Valuation: $83,625,392,181 (Riverside County only)[(1)]

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/15
Metropolitan Water District	3.604%	$3,979,537
Eastern Municipal Water District Improvement Districts	79.592-100.000	4,876,454
Riverside Community College District	**100.000**	**227,097,323**[(2)]
Alvord Unified School District	100.000	224,305,233
Corona-Norco Unified School District	100.000	252,194,584
Jurupa Unified School District	100.000	44,747,972
Moreno Valley Unified School District	100.000	33,588,521
Riverside Unified School District	100.000	135,170,000
Val Verde Unified School District	100.000	109,531,488
City of Riverside	100.000	13,395,000
Community Facilities Districts	Various	1,096,174,229
1915 Act Bonds	100.000	29,280,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,174,340,341
OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	37.040%	$243,407,182
Riverside County Pension Obligation Bonds	37.040	118,702,088
Riverside County Board of Education Certificates of Participation	37.040	679,684
Corona-Norco Unified School District General Fund Obligations	100.000	27,880,000
Moreno Valley Unified School District Certificates of Participation	100.000	12,475,000
Val Verde Unified School District Certificates of Participation	100.000	71,445,000
Other Unified School District Certificates of Participation	100.000	27,716,277
City of Corona General Fund Obligations	100.000	50,100,308
City of Moreno Valley Certificates of Participation	99.916	63,729,922
City of Riverside General Fund and Pension Obligation Bonds	100.000	352,952,825
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$969,088,286
Less: Riverside County supported obligations		3,125,530
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$965,962,756
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$923,377,321
GROSS COMBINED TOTAL DEBT		$4,066,805,948[(3)]
NET COMBINED TOTAL DEBT		$4,063,680,418

Ratios to 2014-15 Assessed Valuation:
Direct Debt ($227,097,323)..0.27%
Total Overlapping Tax and Assessment Debt...................................2.60%
Gross Combined Total Debt 4.86%
Net Combined Total Debt...4.86%

Ratio to Redevelopment Incremental Valuation ($18,826,708,436):
Total Overlapping Tax Increment Debt 4.90%

(1) Excludes $770,522 assessed valuation representing Tax Rate Area 119-001, the only portion of the District located in San Bernardino County. However, there will not be a tax levied in Tax Rate Area 119-001 for the payment of the Bonds.
(2) Excludes the Bonds and includes the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise 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 and Accreted Value of and interest on the Bonds are payable from the proceeds of an ad valorem *property tax levied by the County on the taxable property in the District 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 the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such information that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County for the payment of the principal and Accreted Value of and interest on the Bonds was approved by the voters of the District in compliance with Article XIIIA, Article XIIIC, and all applicable laws.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the county assessor of each county. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the fiscal year 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 base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rates 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*, 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 (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on July 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 (iii) 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 the payment of the Bonds falls within the exception described in item (iii) 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.

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.

State-Assessed Utility 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. Under the State Constitution, such property is assessed by the State Board of Equalization as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the State Board of Equalization, 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.

The State electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on the District's utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's financing formula for community college districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, 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 K-14 school districts to mean the percentage change in the average daily attendance (the "ADA") of K-14 school districts 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 fiscal year 1986-87 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 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" herein.

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 K-14 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 K-14 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, State voters 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, have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes 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 general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, or (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 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 be 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 for the State for each fiscal year.

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitations 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 education funding priority and allocation. Proposition 111 took effect on July 1, 1990.

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 pupil 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 is 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 such 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. <u>Exclusions from Spending Limit</u>. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, all appropriations for "qualified capital outlay projects," as defined by the State Legislature, are excluded. Also, 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 are all excluded. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor of the State (the "Governor"), which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. <u>Recalculation of Appropriations Limit</u>. 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. <u>School Funding Guarantee</u>. There is a complex adjustment in 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) a certain percentage 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) 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 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. This amendment (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-14 school 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. Prior to the approval of Proposition 39, 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 governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing 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 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 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 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.

Jarvis vs. 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 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 K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows 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 K-14 school districts 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 K-14 school districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the LAO on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected 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 expected to increase in the State's general fund costs by approximately $1 billion annually for several decades.

Proposition 30

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for joint filers).

The revenues generated from the temporary tax increases are included in the calculation of the Proposition 98 minimum funding guarantee for K-14 school districts. See "– Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases are deposited into the State account created pursuant to Proposition 30 called the Education Protection Account. Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds are being distributed to K-14 school 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 K-14 school 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 boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

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 Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, 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 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.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 22, 26, 30, 39, and 98 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 and Accreted Value of and interest on the Bonds are payable from State revenues. 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. See "THE BONDS – Security and Sources of Payment" herein.*

Major Revenues

General. State community college districts (other than 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, the lottery (which is generally less than 3%), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

A bill passed by the State Legislature ("SB 361"), and signed by the Governor on September 29, 2006, established the present system of funding for community college districts. This system includes allocation of State general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the "Board of Governors") in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors was required to acknowledge community college districts' need to receive an annual allocation based on the number of colleges and comprehensive centers in each respective district, plus funding received based on the number of credit and noncredit FTES in each district.

SB 361 also 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 noncredit FTES; and (c) set at $3,092 per FTES for a new instructional category of "career development and college preparation" ("CDCP") enhanced non-credit rate. Each such minimum funding rate is subject to cost of living adjustments (a "COLA"), if any, funded through the State budgeting legislation in each fiscal year. Pursuant to SB 361, the Chancellor of the California Community Colleges (the "Chancellor") developed criteria for one-time grants for districts that would have received more funding under the prior system or a then-proposed rural college access grant, than under the current system.

The following table shows the District's FTES counts for fiscal years 2007-08 through 2013-14, and the projected FTES count for fiscal year 2014-15.

FULL TIME EQUIVALENT STUDENTS[(1)]
Fiscal Years 2007-08 through 2014-15
Riverside Community College District

Year	Funded FTES[(2)]	Unfunded FTES[(2)(3)]	Total FTES
2007-08	26,806	205	27,011
2008-09	27,216	3,895	31,111
2009-10	26,245	4,940	31,185
2010-11	26,901	2,248	29,149
2011-12	24,845	1,013	25,858
2012-13	25,119	0	25,119
2013-14	25,808	592	26,400
2014-15[(4)]	26,917	665	27,582

(1) One 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. Reflects resident FTES counts only. Non-resident FTES are generally excluded from State funding formula calculations.
(2) In each fiscal year, the State budget will establish an enrollment cap on the maximum number of FTES, known as the "funded" FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district's enrollment cap is based on the previous fiscal year's reported FTES, plus the growth allowance provide for by the State budget, if any. All student hours in excess of the enrollment cap are considered "unfunded" FTES.
(3) Unfunded FTES amounts are the product of increased enrollment coupled with lower State funding levels.
(4) Projected.
Source: Riverside Community College District.

Local revenues are first used to satisfy District expenditures. The major local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees from the District generally account for the remainder of local revenues for the District. Property taxes and student enrollment fees are applied towards fulfilling the District's financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the State Legislature to the District. The sum of the property taxes, student enrollment fees, and State aid generally comprise the District's total funding allocation.

"Basic Aid" community college districts are those districts whose local property taxes and student enrollment fee collections, and Education Protection Account ("EPA") funds, exceed the revenue allocation determined by the program-based model. The current law in the State allows these districts to keep the excess funds without penalty. Basic Aid districts do not receive any general apportionment funding from the State. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30" herein. The implication for Basic Aid districts is that the legislatively determined annual COLA 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 a Basic Aid district.

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 and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State, however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

Tax Shifts and Triple Flip

Assembly Bill No. 1755 ("AB 1755"), introduced on March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and K-14 school districts. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund ("ERAF") shift to $135 million. Legislation commonly referred to as the "Triple Flip" was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds (the "Economic Recovery Bonds") to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip," one-quarter of local governments' 1% share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for K-14 school districts, the legislation provides for K-14 school districts to receive other State general fund revenues. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2014-15 Budget" herein.

Budget Procedures

On or before September 15, the governing board of a community college district is required under Section 58305 of the State Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges (the "Chancellor's Office"), submits to the State Department of Finance 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 State Department of Finance makes recommendations to the Governor, and by January 10 a proposed State budget is presented by the Governor to the State 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 State 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 the State'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 FTES 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 budgeting trends.

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

General. In 1988, State 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 school district and community college district ("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 (as described below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in the State's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIIIB). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein.

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-14 school 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 Test 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 fiscal year 1992-93. In those years, community college districts 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 fiscal year 1986-87. Initially, that share was just over 40%. Because of the major shifts of property tax from local government to K-14 school districts, which began in fiscal year 1992-93 and increased in fiscal year 1993-94, the percentage dropped to 33%.

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 1% 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 and scholarships to students and support to employees, programs and departments 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 2010-11 through 2013-14, and a projected amount for fiscal year 2014-15, are shown in the following table. As of March 31, 2015, the Foundation had total assets valued at approximately $8,350,000.

FOUNDATION CONTRIBUTIONS
Fiscal Years 2010-11 through 2014-15
Riverside Community College District

Fiscal Year	Foundation Contributions
2010-11	$95,065
2011-12	148,819
2012-13	560,654
2013-14	413,643
2014-15(1)	350,000

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

Tax Offset and Pass-Through Revenues. The District receives tax offset revenue from the County as a part of certain redevelopment projects within the County (the "Tax Offset Revenues"). The Tax Offset Revenues received are deposited directly into the District's general fund and are offset against the State apportionment received by the District. The District also receives pass-through tax increment revenue (the "Pass-Through Revenues") from the former redevelopment agencies within the District's boundaries. The Pass-Through Revenues received by the District are deposited into the District's Redevelopment Fund, and are used for capital facilities projects and capital equipment. The Pass-Through Revenues are not offset against the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2012-13 through 2013-14, and a projected amount for fiscal year 2014-15 are shown in the following table.

TAX OFFSET AND PASS-THROUGH REVENUES
Fiscal Years 2012-13 through 2014-15
Riverside Community College District

Fiscal Year	Tax Offset Revenues(1)	Pass-Through Revenues(2)
2012-13	$31,737,281	$1,470,356
2013-14	29,023,841	1,508,689
2014-15(3)	27,154,911	1,667,657

(1) Tax Offset Revenues received by the District are offset against the State apportionments received by the District.
(2) Pass-Through Revenues received by the District are not offset against the State apportionments received by the District.
(3) Projected.
Source: Riverside Community College District.

The District, however, can make no representations that Tax Offset Revenues and Pass-Through Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the recently enacted legislation eliminating redevelopment agencies. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. The Bonds, however, are not payable from such revenue. 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. See "THE BONDS – Security and Sources of Payment" herein.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the State Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency (as defined in the Dissolution Act), as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the State Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory 2% pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABX1 26] using current assessed values . . . and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

State Assistance

State community college districts' principal funding formulas and revenue sources are derived from the budget of the State. 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 responsibility as to the accuracy or completeness thereof and neither has independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal or Accreted Value 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 required to be levied by the County in an amount sufficient for the payment thereof.*

2014-15 Budget. On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the "2014-15 Budget"). The following information is drawn from the State Department of Finance's summary of the 2014-15 Budget and the LAO report entitled "The 2014-15 Budget: California Spending Plan," and certain other sources relating to Proposition 2.

The 2014-15 Budget is based on revenue projections previously included in the Governor's May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of $102.2 billion, and total State general fund expenditures of $100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a $2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of $109.5 billion and total State general fund expenditures of $108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately $2.1 billion. This projected reserve is a combination of $449 million in the State's general fund traditional reserve, and an authorized deposit of $1.6 billion into the BSA established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

As part of implementing certain provisions of the 2014-15 Budget, a legislatively-referred constitutional amendment (Proposition 2) was placed on the ballot, and ultimately approved by the voters at the November 4, 2014 statewide election. Among other things, Proposition 2 creates a reserve account that is expected to smooth spikes in education funding. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

As a result of changes in State general fund revenues, local property tax collections and changes in student attendance, the 2014-15 Budget includes revised estimates to the minimum funding guarantees for fiscal years 2012-13 and 2013-14. The 2012-13 minimum guarantee is revised upward to $57.8 billion, an increase of $1.3 billion over the estimate included in the 2013-14 State budget. For fiscal year 2013-14, the 2014-15 Budget revises the minimum guarantee at $58.3 billion, approximately $3 billion higher than that included in the 2013-14 State budget.

The 2014-15 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2014-15 at $60.9 billion, including $44.5 billion of support from the State general fund. This represents an increase of $2.6 billion over the estimates included in the Governor's May revision. The 2014-15 Budget also authorizes certain payments to reduce the State's outstanding maintenance factor, including $5.2 billion allocable to fiscal year 2012-13 and $2.6 billion allocable to fiscal year 2014-15. The State is expected to end fiscal year 2014-15 with an outstanding maintenance factor of approximately $4 billion.

Significant features of the 2014-15 Budget related to the funding of community college districts include the following:

- *State Pensions.* The 2014-15 Budget includes a plan to reduce the $74.4 billion unfunded STRS (as defined herein) liability in approximately 30 years by increasing contribution rates among the State, K-14 school districts, and participating employees. For fiscal year 2014-15, these increases are expected to result in $276 million of additional contributions from all three entities. The plan also provides the STRS Board (as defined herein) with limited authority to (i) increase State and K-14 school district contributions based on changing conditions, and (ii) reduce K-14 school district contributions if they are no longer necessary. For additional information, see "RIVERSIDE COMMUNITY COLLEGE DISTRICT – Retirement Programs" herein.

- *Implementing Statewide Performance Strategies* – $1.1 million of non-Proposition 98 funding to add nine positions for the Chancellor's Office to develop leading indicators of student success and to monitor community college districts' performance. The 2014-15 Budget also provides $2.5 million of Proposition 98 funding to provide local technical assistance to support the implementation of effective practices across all community college districts, with a focus on underperforming districts.

- *Student Success and Support Programs* – $170 million in Proposition 98 funding to improve and expand student success programs and to strengthen efforts to assist underrepresented students. This amount is allocated as follows: (i) $100 million to increase orientation, assessment, placement, counseling and other education planning services for all matriculated students, and (ii) $70 million to close gaps in access and achievement in underrepresented student groups, as identified in local Student Equity Plans.

- *Apportionments* – An increase of $140.4 million in Proposition 98 funding for growth in general-purpose apportionments, which represents a 2.75% increase in enrollment, and which, according to the LAO, equates to an additional 30,000 FTES. The 2014-15 Budget directs the State Board of Governors to adopt a growth formula beginning in fiscal year 2015-16 that gives first priority to the community college districts identified as having the greatest unmet need in adequately serving their community's higher educational needs. The 2014-15 Budget also provides $47.3 million of Proposition 98 funding for a 0.85% COLA.

- *Career Technical Education* – A one-time increase of $50 million in Proposition 98 funding to improve career technical education. The $50 million will support the Economic and Workforce Development program at the Chancellor's Office. Additionally, beginning in fiscal year 2015-16, the State Budget increases the funding rate for career development and college preparation noncredit courses to equal the funding rate for credit courses.

- *Technology Infrastructure* – A $1.4 million one-time increase in Proposition 98 funding and a $4.6 million ongoing increase in Proposition 98 funding to upgrade bandwidth and replace technology equipment at community college districts.

- *Disabled Student Programs and Services* – $30 million in Proposition 98 funding to provide support services to students with disabilities.

- *Apportionment Deferrals* – The 2014-15 Budget provides $5.2 billion to reduce outstanding apportionment deferrals, including $498 billion for community college districts. Under the budget plan, $992 million in deferrals, including $94 million for community college districts, are expected to remain outstanding at the end of fiscal year 2014-15. The 2014-15 Budget also provides for a trigger mechanism whereby potentially all outstanding deferrals would be repaid if the Proposition 98 minimum guarantee increases as a result of additional funding sources. Effectively, the 2014-15 Budget earmarks the first $992 million of additional State spending allocable to fiscal years 2013-14 and 2014-15 to the pay-down of deferrals.

- *Mandates* – $49.5 million in one-time Proposition 98 funding to reimburse community college districts for the cost of State-mandated programs to be distributed on a per-student basis. For community college districts, the 2014-15 Budget repeals one mandate related to certain information included in infrastructure plans and adds to the block grant one mandate related to public contracts. The LAO notes that the 2014-15 Budget does not increase funding for the block grant as the added costs are expected to be minimal.

- *Financial Stability for Apportionments* – An increase of $40.5 million in fiscal year 2013-14 and $37.8 million in fiscal year 2014-15 in Proposition 98 funding by shifting a portion of the revenues from former redevelopment agencies that are scheduled to be received in the final months of the fiscal year to the following fiscal year. Proposition 98 funding will backfill the difference between estimated total fiscal year redevelopment agency revenues and the amount the community college districts receive through April 15.

- *Deferred Maintenance and Instructional Equipment* – A one-time increase of $148 million in Proposition 98 funding for deferred maintenance or instructional equipment purchases. This program funds facility maintenance projects as well as replacement of instructional equipment and library materials.

- *Proposition 39.* Passed by voters in November 2012, Proposition 39 increases State corporate tax revenues and requires a five-year period, starting in fiscal year 2013-14, that a portion of these revenues be used to improve energy efficiency and expand the use of alternative energy in public buildings. The 2014-15 Budget provides $38 million in Proposition 98 funding for community college grants and $28 million of Proposition 98 funding for a revolving loan program for K-14 school districts.

- *Quality Education Investment Act* – The 2014-15 Budget authorizes a final payment of $410 million to retire the State's obligation under the Quality Education Investment Act of 2006 (Stats. 2006, Chapter 751), which required the State to provide additional annual K-14 school district funding payments. Of this amount, $316 million is for continued funding of the QEIA program (including $48 million for community college districts) and $94 million is to pay down a separate State obligation related to school facility repairs.

- *Pay Down of Remainder of Economic Recovery Bonds.* The 2014-15 Budget transfers 3% of general fund revenues – or $3.2 billion – to the BSA. Under Proposition 98, one-half of those revenues must be used to accelerate the repayment of the State's Economic Recovery Bonds. The $1.6 billion payment is expected to pay off the remaining principal amount of the Economic Recovery Bonds during fiscal year 2014-15. See "– Tax Shifts and Triple Flip" herein.

- *Capital Outlay.* The 2014-15 Budget appropriates a total of $21 million in general obligation bond funding for one continuing community college project and seven new projects. The LAO notes that future State costs for these projects are expected to total an additional $102 million.

For additional information regarding the State's budgets and revenue projections and a more detailed description of the 2014-15 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Governor's Proposed 2015-16 Budget. On January 9, 2015, the Governor released his proposed State budget for fiscal year 2015-16 (the "Proposed Budget"). The following information is taken from the LAO's overview of the Proposed Budget, dated January 13, 2015.

The Proposed Budget assumes, for fiscal year 2014-15, total general fund revenues and transfers of $108 billion and authorizes total expenditures of $111.7 billion. The State is projected to end the 2014-15 fiscal year with a general fund surplus of $2.1 billion, comprised of a balance of $452 million in the State's traditional budget reserve and balance of $1.6 billion in the BSA. For fiscal year 2015-16, the Proposed Budget assumes total general fund revenues of $113.4 billion and authorizes expenditures of $113.3 billion. The State is projected to end the 2015-16 fiscal year with a $3.4 billion general fund surplus, comprised of a $534 million balance in the budget reserve and $2.8 billion in the BSA. The balance in the BSA includes a $1.2 billion deposit mandated by the provisions of Proposition 2. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein. This $1.2 billion deposit to the BSA reflects half of the total Annual BSA Transfer and Supplemental BSA Transfer required by Proposition 2, and the Proposed Budget allocates the other $1.2 billion towards paying down special fund loans and certain Proposition 98 "settle up" obligations created by previous budgetary legislation that understated the minimum funding guarantee. Under the Proposed Budget, outstanding Proposition 98 settle up obligations at the end of fiscal year 2015-16 total $1.3 billion.

As a result of projected increases to State general fund revenues, as well as certain revisions to student attendance, the Proposed Budget includes revised estimates of the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The 2013-14 minimum funding guarantee is revised upward to $58.7 billion, an increase of $371 million from the estimate included in the 2014-15 Budget. For fiscal year 2014-15, the minimum funding guarantee is revised at $63.2 billion, approximately $2.3 billion higher than that included in the 2014-15 Budget.

For fiscal year 2015-16, the Proposed Budget sets the minimum funding guarantee at $65.7 billion, including $47 billion from the State general fund, and reflects an increase of $2.6 billion (or 4%) from the revised level for fiscal year 2014-15. Despite the increase in the minimum guarantee, the State general fund share is only $371 million. A projected growth in available local property tax collections accounts for the balance, and results primarily from the Governor's assumption that the "triple flip" legislation, which diverts local property tax revenues from school districts and community colleges to local governments, will sunset. See also "– Tax Shifts and Triple Flip" herein. For purposes of Proposition 98, fiscal year 2015-16 is a "Test 2" year, with the minimum guarantee driven primarily by an increase in per-capita personal income. Under the Proposed Budget, total per-student Proposition 98 funding increases to $9,571, an increase of $640 (or 7.2%) from the prior year.

Significant proposals or adjustments with respect to community college funding include the following:

- *Maintenance Factor* – The Proposed Budget authorizes a maintenance factor payment of $725 million owed to school districts and community college districts, leaving an outstanding maintenance factor of $1.9 billion.

- *Student Fees* – The Proposed Budget makes no change to resident student fee levels, which would remain at $46 per unit.

- *Cost of Living Adjustment* – the Proposed Budget provides $92.4 million to support a 1.58% COLA to general purpose apportionments.

- *Base Allocations* – $107 million to support a 2% growth in student enrollment. The Proposed Budget also provides $125 million to support a 2.1% increase to base allocations to account for increased operating expenses in the areas of facilities, retirement benefits, professional development, staffing and other general expenses.

- *Non-Credit FTES* – $49 million to reflect an increase in the funding rate for CDCP non-credit courses, to equal the rate provided for similar credit courses.

- *Apportionment Deferrals* – An increase of $95 million in one-time funding to eliminate all outstanding community college apportionment deferrals.

- *Student Success* - $200 million to improve and expand student success and support programs, including $100 million for orientation, assessment, placement, academic counseling and other education planning services. The balance is allocated to implement local student equity plans designed to improve access and outcomes, as well as to identify and address achievement disparities for disadvantaged groups.

- *Adult Education* – $500 million in ongoing funding for adult education. This proposal would build on prior budgetary legislation which mandated the establishment of regional adult education consortia composed of school districts, community college districts and certain other stakeholders for delivery of adult education services. Under the Governor's proposal, the ongoing funding would support programs in elementary and secondary basic skills, citizenship and English as a second language for immigrants, educational programs for disabled adults, short-term career technical education (CTE) and apprenticeship programs. For fiscal year 2015-16 only, these funds would replace, on a dollar-for-dollar basis, LCFF funds currently allocated to school district-run adult education programs in these five areas.

- *Career Technical Education* – $250 million in funding in each of the next three fiscal years to fund a competitive grant initiative that supports K-12 CTE programs that lead to industry-recognized credentials or postsecondary training. Participating school districts, county offices of education and charter schools would be required to match grant contributions dollar-for-dollar, collect accountability data and commit to providing ongoing support to CTE programs after the expiration of grant funding. Applicants would also be expected to partner with local postsecondary institutions, labor organizations and businesses in applying for the grant funds. The Proposed Budget also includes $48 million to extend the Career Technical Education Pathways Grant Program, created as part of the 2013-14 State budgetary legislation. The primary purpose of the program is to improve linkages between CTE programs and schools and community colleges, as well as between K-14 education and local businesses. The California Department of Education and the California Community Colleges Chancellor's Office jointly administer the program and allocate funding through an interagency agreement.

- *Apprenticeship Programs* – $29 million to support the expansion of apprenticeship programs. This includes $14 million to grow such existing programs and $15 million to create innovative apprenticeship projects the focus on new and emerging industries with unmet labor demands.

- *Mandates* - $379 million to reduce a backlog of unpaid reimbursement claims to community college districts for the cost of State-mandated programs.

For additional information regarding the Proposed Budget, see the State Department of Finance's website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

May Revision. On May 14, 2015, the Governor released his May revision (the "May Revision") to the Proposed Budget. The following information is drawn from the Department of Finance's summary of the May Revision and the LAO report entitled "Analysis of the Proposition 98 May Revision Budget Package."

The May Revision continues to project the expansion of the State and national economies, as well as an overall increase to State general fund revenues attributable primarily to higher personal income tax collections. Over the three-fiscal year period covering 2013-14 through 2015-16, the May Revision estimates that State general fund revenues are approximately $6.7 million higher than the levels assumed by the 2014-15 Budget. The May Revision allocates only a small portion of these additional revenues to new spending areas, and instead allocates the bulk towards K-14 education funding, an additional deposit to the BSA of $633 million, and additional payments towards outstanding State special fund loans.

After accounting for transfers to the BSA, the May Revision projects year-end general fund revenues for fiscal year 2014-15 to be $111.3 billion, approximately $3.3 billion higher than projected in the Proposed Budget. State general fund expenditures are also expected to increase by approximately $2.8 billion, for a year-end total of $114.5 billion. The May Revision projects that the State will end fiscal year 2014-15 with a $3 billion surplus, composed of a $1.4 billion balance in the general fund reserve and a $1.6 billion balance in the BSA. For fiscal year 2015-16, the May Revision projects State general fund revenues of $115 billion, approximately $1.7 billion higher than previously projected. The May Revision would authorize State general fund expenditures of $115.3 billion, an increase of $2 billion from that in the Proposed Budget. The State is projected to end fiscal year 2015-16 with a $4.6 billion general fund surplus, composed of a $1.1 billion balance in the general fund reserve and $3.5 billion in the BSA.

The May Revision includes revised estimates of the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The fiscal year 2013-14 minimum funding guarantee is set at $58.9 billion, an increase of $241 million above the revised level included in the Proposed Budget. The fiscal year 2014-15 minimum funding guarantee is set at $66.3 billion, an increase of $3.1 billion from the revised level included in the Proposed Budget.

For fiscal year 2015-16, the May Revision revises the Proposition 98 minimum funding guarantee at $68.4 billion, an increase of approximately $2.7 billion from the level included in the Proposed Budget. With respect to community college districts, total funding provided by the May Revision is $619 million above that set by the Proposed Budget, and reflects the following significant adjustments and additional proposals:

- *Base Allocations* – An additional $49.5 million to support a growth in student enrollment, representing an additional 1% of funded enrollment over that provided in the Proposed

Budget. The May Revision also provides an additional $141.7 million above the level provided in the Proposed Budget, for a total of $266.7 million, to support an increase to base allocations to account for increased operating expenses. As a corrective measure, the May Revision also provides $41.9 million to allow community college districts to earn back funding related to declines in enrollment experienced over the past two years, as required by statute. This provision was inadvertently excluded from the Proposed Budget.

- *COLA* – A reduction of $31.4 million to funding for statutory COLA's for general purpose apportionments, reflecting a change in such COLA's from 1.58% (as provided in the Proposed Budget) to 1.02%. The May Revision also provides an increase of $2.5 million to provide COLA's for certain categorical programs.

- *Full-Time Faculty* – $75 million in Proposition 98 funding to increase the number of full-time faculty. Funding would be allocated based on full-time equivalent enrollment, but community college districts with relatively low proportions of full-time faculty will be required to increase the amount of such faculty more than districts with higher proportions. The May Revision expects that this proposal will create approximately 600 additional full-time faculty positions Statewide.

- *Maintenance Factor* - The May Revision estimates that the State will make a $5.4 billion maintenance factor payment allocable to fiscal year 2014-15, an increase of $2.8 billion over the amount estimated in the 2014-15 Budget. The May Revision no longer projects a maintenance factor payment during fiscal year 2015-16 because State general fund revenues are projected to grow more slowly than per capita personal income. The May Revision estimates that the State will end the 2015-16 fiscal year with an outstanding maintenance factor of $772 million.

- *Student Outcomes* – $60 million in Proposition 98 funding to assist community college districts with adopting and expanding the use of evidenced-based models of placement, remediation and student support that are designed to accelerate the progress of underprepared students.

- *Basic Skills Pilot Program* – $2 million of Proposition 98 funding to support a pilot program designed to incentivize community college districts and the California State University system to coordinate the delivery of basic skills instruction to incoming CSU students.

- *Student Success* – An increase of $15 million in Proposition 98 funding to address gaps in access and achievement among underrepresented student groups.

- *Statewide Performance Strategies* – An increase of $15 million in Proposition 98 funding to implement strategies to improve college performance and student success and outcomes. Of this amount, $3 million will provide local technical assistance to support implementation of effective practices across all districts. The additional $12 million is intended to assist in the development and dissemination of effective professional, administrative and educational practices.

- *Deferred Maintenance and Instructional Equipment* – An increase of $148 million in one-time Proposition 98 funding that community college districts can use to fund deferred facility maintenance or purchase instructional equipment.

- *Mandates* – An additional $275 million, for a total of $654 million, to reduce a backlog of unpaid reimbursement claims to community college districts for the cost of State-mandated programs. Funds will be distributed to community college districts on a per-FTES basis. The May Revision also reduces educational mandate block grant funding by $691,000 as a result of revised FTES estimates.

- *Proposition 39* – A decrease in the amount of funds available under Proposition 39 to community college districts by $825,000, reflecting reduced State corporate tax revenue estimates.

- *Student Fees* – An increase of $7.4 million in Proposition 98 funding as a result of decreased offsetting student fee revenues.

- *Local Property Tax Adjustments* – Total Proposition 98 funding levels for community college districts in fiscal year 2015-16 would reflect a reduction to State support equal to $156.1 million, reflecting higher offsetting property tax collections.

For additional information regarding the May Revision, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Future Budgets and 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 or 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 could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund education. State budget shortfalls in future fiscal years could have an adverse financial impact on the State general fund budget. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal and Accreted Value 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 or Accreted Value of or interest on the Bonds is payable from the general fund of the District. The principal and Accreted Value of and interest on the Bonds are payable only 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 2014-15, the District has an assessed valuation of $83,625,392,181, and the District's FTES count is projected to be 27,582 students.

Administration

The District is governed by the five-member Board, each member of which is elected 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 Member	Office	Term Expires
Virginia Blumenthal	President	December 2018
Janet Green	Vice President	December 2018
Nathan Miller	Secretary	December 2016
Mary Figueroa	Trustee	December 2016
Tracey Vackar	Trustee	December 2018

The Chancellor of the District is appointed by and reports to the Board, is responsible for management of the District's day-to-day operations and supervises the work of other key administrators. Michael L. Burke, Ph.D. is the District's current Chancellor.

Michael L. Burke, Ph.D., Chancellor. Dr. Burke became the Chancellor of the District on July 21, 2014. Prior to joining the District, Dr. Burke served as President at Milwaukee Area Technical College. Dr. Burke's 25 years of experience in community colleges also includes his service as President at San Jose City College and President at North Idaho College. Dr. Burke has served on the Executive Committee of the Board of Directors for the American Association of Community Colleges (the "AACC"), co-chaired the AACC Commission on Diversity, Equity and Inclusion, and served as Chairman of the AACC Presidents Academy Executive Committee. Dr. Burke holds a bachelor's degree in English and a master's degree in English, each from the University of Houston. He also holds a Ph.D. in Educational Administration from the Community College Leadership Program at the University of Texas at Austin, as well as certificates of completion from the Institute for Educational Management at Harvard University and the League for Innovation's Executive Leadership Institute.

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 358 full-time certificated professionals, 451 full-time classified employees, and 123 managerial employees. In addition, the District employs 933 part-time faculty and 96 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	358	June 30, 2015
California Teachers Association	1,609	June 30, 2015

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, neither 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 recently 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 will increase 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 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.

The District's contribution to STRS was $4,995,773 for fiscal year 2011-12, $4,744,140 for fiscal year 2012-13, and $5,072,101 for fiscal year 2013-14. The District has projected $5,690,911 as its contribution to STRS for fiscal year 2014-15.

The State also contributes to STRS, currently in an amount equal to 3.454% of teacher payroll for fiscal year 2014-15. 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. Pursuant to AB 1469, the State contribution rate will increase over the next three years to a total of 6.328% in fiscal year 2016-17. 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 COLA's, 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, 2013 included 1,580 public agencies and K-14 school districts (representing more than 2,500 entities). 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 11.847% of eligible salary expenditures for fiscal year 2015-16. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2014-15. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contribution to PERS was $3,827,482 for fiscal year 2011-12, $3,975,690 for fiscal year 2012-13, and $4,103,502 for fiscal year 2013-14. The District has projected $4,270,196 as its contribution to PERS for fiscal year 2014-15.

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 table on the following page 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
(Dollar Amounts in Millions) [(1)]
Fiscal Years 2010-11 through 2013-14

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)(3)]	Value of Trust Assets (AVA)[(4)]	Unfunded Liability (AVA)[(4)]
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

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)]	Value of Trust Assets (AVA)[(4)]	Unfunded Liability (AVA)[(4)]
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[(5)]	65,600	56,838	8,761	--[(6)]	--[(6)]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets.
(3) Excludes assets allocated to the SBPA reserve.
(4) Reflects actuarial value of assets.
(5) On April 14, 2015, the PERS Finance & Administration Committee approved the K-14 school district contribution rate for fiscal year 2015-16 and released certain actuarial information to be incorporated into the June 30, 2014 actuarial valuation to be released in summer 2015.
(6) Figures not provided.
Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

According to the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2014, the future revenue from contributions and appropriations for the STRS Defined Benefit Program was projected to be sufficient to finance its obligations. This finding reflects the scheduled contribution increases specified in AB 1469 and is based on the valuation assumptions and the valuation policy adopted by the STRS Board.

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%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the District, have been increased by 1 to 2% for miscellaneous plans and by 2 to 3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%.

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 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 PERS Board has delayed the implementation of the new actuarial policies until fiscal year 2015-16 for the State, K-14 school districts and all other public agencies.

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 will first be 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 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.

Other Post-Employment 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 July 1, 2013, membership of the Plan consisted of 79 retirees and beneficiaries currently receiving Benefits and 905 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 2013-14, the District contributed $1,159,902 to the Plan, all of which was used for premiums. The District projects a contribution of $1,206,739 to the Plan in fiscal year 2014-15, all of which will be used for current premiums.

On April 21, 2015, the Board approved a plan to begin funding its unfunded actuarial accrued liability (the "UAAL") with respect to the Benefits. The Board-approved plan, which will take effect on July 1, 2015, has two components. First, the Board will establish an irrevocable, GASB-qualifying trust to fund its UAAL (the "Irrevocable Trust"). Second, the District will develop 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 will be deposited into the Irrevocable Trust.

Actuarial Valuation. The District has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, pursuant to which the District has commissioned and received several actuarial studies of its outstanding liability with respect to the Benefits. The most recent of these studies concluded that the District's UAAL with respect to the Benefits, as of a July 1, 2013 valuation date, was $24,161,707. The study also calculated the annual required contribution (the "ARC") to be $3,041,672. The ARC is the amount that would be necessary to fund the value of future benefits earned by current employees during each fiscal year (the "Normal Cost") and the amount necessary to amortize the UAAL, in accordance with the GASB Statements Nos. 43 and 45.

Net Obligation. As of June 30, 2014, the District recognized a net long-term obligation (the "Net OPEB Obligation") of $7,844,898, with respect to its accrued liability for the Benefits. The Net OPEB Obligation is based on the District's contributions towards the ARC during fiscal year 2013-14, plus interest on the prior year's Net OPEB Obligation and minus any adjustments to reflect the amortization thereof. See also "– District Debt Structure – Long-Term Debt" herein and "APPENDIX B –THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

Alternative Retirement System

As established by Federal law, all public sector employees who are not members of their employer's existing retirement systems (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use the Public Agency Retirement System ("PARS") as its alternate retirement system (the "Alternative Retirement System"). The Alternative Retirement System is a multiple-employer retirement trust established by a coalition of public employers. The Alternative Retirement System covers the District's part-time, temporary, and other employees not covered under PERS or STRS, but whose salaries would otherwise be subject to Social Security tax. The Alternative Retirement System is a defined contribution qualified retirement plan under Section 401(a) of the Internal Revenue Code.

Benefits under the Alternative Retirement System are established by the District management based on agreements with bargaining units. The minimum total contribution to the Alternative Retirement System is 7.5% of employees' salaries, of which the employee contributes the full 7.5%. For fiscal year 2013-14, total contributions to PARS amounted to $563,095.

Supplementary Retirement Plan

The District has adopted the PARS supplementary retirement plan (the "SRP"), which is designed to meet the requirements of Section 403(b) of the Code and, to the extent applicable, the Employee Retirement Income Security Act of 1974, as amended. Under the SRP, retirement benefits were purchased for 98 eligible employees. The retirement benefits provided under the SRP are funded in five annual contributions, and as of June 30, 2014, the outstanding balance was $2,130,916. The SRP payments through 2016 are as follows:

Fiscal Year	SRP Payment
2015	$1,284,856
2016	846,060
Total	$2,130,916

Source: Riverside Community College District.

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 $25,000,000, and is subject to a $250,000 self-insured retention. The District also carries replacement coverage on its buildings, furniture, and equipment with limits of $600,000,000 (total pool value) and exposure of $332,514,000, with a $100,000 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").

JPA Risk Pools. The District contracted with the Southern California Schools Risk Management ("SCSRM") JPA for property and liability insurance coverage in fiscal year 2013-14. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

Workers Compensation. The District participated in the Schools Excess Liability Fund ("SELF") JPA, an insurance purchasing pool for workers' compensation coverage, in fiscal year 2013-14. The District is self-insured for the first $500,000 of each workers' compensation claim.

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 SCSRM JPA, the SELF JPA, Riverside Community College – County Superintendent Self-Insurance Program for Employees ("RCCCSSIPE"), and the Riverside Employers/Employees Plan ("REEP"). During fiscal year 2013-14, the District made payments of $545,353, $51,562, $41,169, $1,417,063, and $545,353 to SCSRM, SELF, RCCCSSIPE, and REEP, respectively. For fiscal year 2014-15, the District has projected that it will make payments of $725,169, $63,395, $54,948, and $1,425,667 to SCSRM, 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 – THE DISTRICT'S 2013-14 AUDITED FINANCIAL STATEMENTS – Notes 12 and 15" 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. The 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 on May 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between $10 million and $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.

General Fund Budgeting

The table on the following page shows the District's combined unrestricted and restricted general fund adopted budgets for fiscal years 2011-12 through 2014-15, unaudited ending results for the fiscal years 2011-12 through 2013-14, and projected ending results for fiscal year 2014-15.

GENERAL FUND BUDGETING[1]
Fiscal Years 2011-12 through 2014-15
Riverside Community College District

	Fiscal Year 2011-12		Fiscal Year 2012-13		Fiscal Year 2013-14		Fiscal Year 2014-15	
	Budgeted[2]	Unaudited[2]	Budgeted[2]	Unaudited[2]	Budgeted[2]	Unaudited[2]	Budgeted[2]	Projected[3]
REVENUES:								
Federal	$13,775,681	$10,788,224	$17,467,253	$11,791,448	$16,828,763	$12,574,883	$13,748,962	$5,207,492
State	105,564,551	100,909,162	103,948,469	98,621,081	109,097,491	109,903,368	117,670,843	124,703,479
Local	47,953,003	44,542,640	49,871,265	53,804,390	52,394,115	51,137,753	52,846,882	51,550,556
TOTAL REVENUES	167,293,235	156,240,026	171,286,987	164,216,919	178,320,369	173,616,004	184,266,687	181,461,527
EXPENDITURES:								
Academic Salaries	65,434,590	64,974,316	63,970,496	64,088,130	66,808,595	68,382,323	70,909,761	71,521,071
Classified Salaries	39,900,695	38,174,802	38,277,222	36,896,799	40,426,032	38,830,396	41,566,615	39,718,910
Employee Benefits	35,081,995	34,053,729	33,932,670	33,457,391	36,252,417	33,620,432	36,992,498	36,146,188
Supplies and Materials	4,489,734	3,521,724	5,558,196	3,214,515	5,133,442	3,313,390	4,948,479	2,673,777
Other Operating Expenses and Services	22,652,426	18,188,445	24,675,607	17,655,457	23,734,040	18,160,433	26,779,001	21,500,189
Capital Outlay	7,298,454	6,465,148	8,081,575	3,133,615	9,592,850	5,189,189	11,173,491	4,731,536
TOTAL EXPENDITURES	174,857,894	165,378,164	174,495,766	158,445,907	181,947,376	167,496,163	192,369,845	176,291,670
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,564,659)	(9,138,138)	(3,208,779)	5,771,012	(3,627,007)	6,119,841	(8,103,158)	5,169,857
OTHER FINANCING SOURCES (USES)	1,628,982	1,631,009	2,013,000	2,012,488	13,000	8,646	1,392,193	1,710,385
OTHER OUTGO	(3,517,084)	(2,007,329)	(4,102,101)	(2,790,573)	(5,241,139)	(4,221,951)	(4,158,558)	(3,436,704)
NET INCREASE (DECREASE) IN FUND BALANCE	(9,452,761)	(9,514,458)	(5,297,880)	4,992,927	(8,855,146)	1,906,536	(10,869,523)	3,443,538
BEGINNING FUND BALANCE	24,778,002	24,778,002	15,388,779	15,388,779	20,415,836	20,415,836	22,322,372	22,322,372
Prior Year Adjustments	--	125,235[4]	--	34,130[5]	--	--	--	--
Adjusted Beginning Balance	24,778,002	24,903,237	15,388,779	15,422,909	20,415,836	20,415,836	22,322,372	22,322,372
ENDING FUND BALANCE	$15,325,241	$15,388,779	$10,090,899	$20,415,836	$11,560,690	$22,322,372	$11,452,849	$25,765,910

(1) Reflects combined unrestricted and restricted general funds.
(2) From the District's CCFS-311 Reports filed with the Chancellor's Office. Budgeted amounts for fiscal years 2011-12 through 2014-15 and unaudited ending results for fiscal years 2011-12 through 2013-14 in object-oriented format provided for comparison. For audited results of fiscal years 2009-10 through 2013-14 in the revised reporting format, see "– Comparative Financial Statements" herein.
(3) Projected as of April 20, 2015.
(4) Reflects audit adjustment to reduce student fees for a posting error.
(5) Reflects audit adjustment to reflect amounts owed for financial aid.
Source: Riverside Community College District.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and fund balances for its governmental funds, from fiscal years 2009-10 through 2013-14. See also "APPENDIX B – THE DISTRICT'S 2013-14 AUDITED FINANCIAL STATEMENTS" attached hereto.

SUMMARY OF AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
Fiscal Years 2009-10 through 2013-14
Riverside Community College District

	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUES					
Student Tuition and Fees	$25,287,574	$25,422,048	$28,691,148	$34,447,543	$37,992,745
Less: Scholarship discount and allowance	(10,154,399)	(11,174,056)	(14,870,480)	(19,192,627)	(21,456,127)
Net tuition and fees	15,133,175	14,247,992	13,820,668	15,254,916	16,536,618
Other Operating Revenue	53,357	1,941	2,794	296	23,090
TOTAL OPERATING REVENUES	15,186,532	14,249,933	13,823,462	15,255,212	16,559,708
OPERATING EXPENSES					
Salaries	116,073,026	114,372,496	105,022,839	102,014,682	108,269,614
Employee benefits	27,680,221	32,201,817	32,900,152	32,447,122	32,462,402
Supplies, materials and other operating expenses and services	29,532,675	30,321,355	31,269,625	32,151,415	30,019,823
Student financial aid	36,424,698	51,887,584	45,575,301	46,767,408	50,666,043
Equipment, maintenance and repairs	2,100,884	1,301,734	10,397,955	1,380,028	3,399,899
Depreciation	8,481,150	11,094,650	11,833,261	18,592,580	15,834,281
TOTAL OPERATING EXPENSES	220,292,654	241,179,636	236,999,133	233,353,235	240,652,062
OPERATING LOSS	(205,106,122)	(226,929,703)	(223,175,671)	(218,098,023)	(224,092,354)
NONOPERATING REVENUES (EXPENSES)					
State apportionments, noncapital	93,478,402	100,148,696	88,517,209	84,731,624	93,567,956
Federal grants	47,991,459	64,571,078	57,390,248	58,614,887	61,721,576
State grants	9,476,664	9,963,513	9,795,854	10,414,479	13,710,929
Local property taxes levied for general purposes	28,277,296	25,217,503	24,351,264	24,675,519	25,395,020
Local property taxes levied for capital debt	9,685,568	10,815,265	12,451,654	12,511,382	13,806,538
State taxes and other revenues	4,901,096	5,078,096	4,814,300	8,905,275	8,580,722
Investment income	1,976,617	1,552,553	1,292,122	923,765	314,781
Interest expense on capital related debt	(7,313,415)	(12,287,170)	(15,264,865)	(13,636,466)	(9,590,099)
Investment income on capital related debt, net	156,053	69,374	38,544	25,705	20,585
Loss on disposal of capital assets	--	(21,909)	(10,513)	(584,330)	(1,539)
Other nonoperating revenue	15,631,813	12,877,617	12,174,187	17,499,146	13,052,773
TOTAL NONOPERATING REVENUES (EXPENSES)	204,261,553	217,984,616	195,550,004	204,080,986	220,579,242
GAIN (LOSS) BEFORE OTHER REVENUES	(844,569)	(8,945,087)	(27,625,667)	(14,017,037)	(3,513,112)
OTHER REVENUES					
State revenues, capital	9,851,149	30,377,255	12,940,526	9,728,785	3,875,979
TOTAL OTHER REVENUES	9,851,149	30,377,255	12,940,526	9,728,785	3,875,979
CHANGE IN NET POSITION	9,006,580	21,432,168	(14,685,141)	(4,288,252)	362,867
NET POSITION, BEGINNING OF YEAR	186,547,372	195,553,952	216,986,120	218,945,064	212,435,212
PRIOR PERIOD RESTATEMENT	--	--	16,644,085[1]	(2,221,600)[2]	--
NET POSITION, END OF YEAR	$195,553,952	$216,986,120	$218,945,064	$212,435,212	$212,798,079

[1] GASB. Statement No. 62 establishes standards of financial accounting and reporting for capitalizing interest cost as part of the historical cost of acquiring certain assets. As a result of the implementation of such standards, the District's beginning net position in fiscal year 2011-12 was restated by $16,644,085.

[2] Effective in fiscal year 2013-2014, the District was required to expense issuance costs associated with its general obligation bond debt, as well as amortize and present deferred charges on refunding as a deferred outflow of resources. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by $2,221,600.

Source: Riverside Community College District.

District Debt Structure

Short-Term Debt. The District currently has no outstanding short-term debt obligations.

Long-Term Debt. A schedule of changes of the District in long-term debt for the year ended June 30, 2014, is shown below:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Bonds Payable				
2004A Bonds	$2,355,000	--	$1,355,000	$1,000,000
2005 Refunding Bonds	52,140,578	$633,427	48,130,000	4,644,005
Unamortized debt premium	6,111,264	--	552,278	5,558,986
2007C Bonds[1]	68,510,000	--	24,080,000	44,430,000
Unamortized debt premium[1]	1,760,604	--	176,060	1,584,544
2010D Bonds and 2010D-1 Bonds	111,282,250	656,909	--	111,939,159
Unamortized debt premium	1,575,599	--	58,176	1,517,423
2014A Refunding and 2014B Refunding	--	73,090,000	--	73,090,000
Unamortized debt premium	--	4,876,704	--	4,876,704
Total Bonds Payable	243,735,295	79,257,040	74,351,514	248,640,821
Other Liabilities				
Compensated absences	2,548,813	--	98,642	2,450,171
Capital leases	166,126	--	47,579	118,547
Supplementary Retirement Plan (SRP)	3,415,773	--	1,284,857	2,130,916
Load banking[2]	748,669	189,040	238,872	698,837
Other postemployment benefits (OPEB)	6,044,632	2,960,168	1,159,902	7,844,898
Total Other Liabilities	12,924,013	3,149,208	2,829,852	13,243,369
Total Long-Term Obligations	$256,659,308	$82,406,248	$77,181,366	$261,884,190

(1) Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds.
(2) The District participates in "load banking" with eligible employees whereby the employee may teach extra courses in one period in exchange for time off in another period.
Source: Riverside Community College District.

General Obligation Bonds. The 2004 Authorization was the result of an election held on March 2, 2004 and approved by at least fifty-five percent of the votes cast by eligible voters within the District to issue $350,000,000 maximum principal amount of general obligation bonds. On August 3, 2004, the District caused the issuance of (i) $55,205,000 aggregate principal amount of its 2004A Bonds and (ii) $9,795,000 aggregate principal amount of its 2004B Bonds. On June 21, 2007, the District caused the issuance of $90,000,000 aggregate principal amount of its 2007C Bonds. On November 10, 2010, the District caused the issuance of (i) $7,699,278.45 aggregate principal amount of its 2010D Bonds and (ii) $102,300,000 aggregate principal amount of its 2010D-1 Bonds. The New Money Bonds are the sixth series of bonds issued pursuant to the 2004 Authorization. After the issuance of the New Money Bonds, $39,996,576.25 principal amount of the 2004 Authorization will remain unissued.

On June 8, 2005, the District issued $58,386,109.30 aggregate principal amount of its 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds"), the net proceeds of which were used to advance refund a portion of the then-outstanding 2004A Bonds. On May 29, 2014, the District issued $29,130,000 aggregate principal amount of its 2014 General Obligation Refunding Bonds, Series A (Tax-Exempt) (the "2014A Refunding Bonds"), the net proceeds of which were used to (i) currently refund a portion of the remaining outstanding 2004A Bonds, (ii) advance refund a portion of the then-outstanding 2005 Refunding Bonds, and (iii) advance refund a portion of the then-outstanding 2007C Bonds. On May 29, 2014, the District also issued $43,960,000 aggregate principal amount of its 2014 General Obligation Refunding Bonds, Series B (Federally Taxable) (the "2014B Refunding Bonds"), the net proceeds of which were used to advance refund a portion of the then-outstanding 2005 Refunding Bonds. The District expects to use the proceeds of the Refunding Bonds to refund the remaining outstanding 2007C Bonds.

The table on the following page shows the total debt service with respect to the District's outstanding general obligation bonded debt, assuming no optional redemptions.

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COMBINED GENERAL OBLIGATION BONDS DEBT SERVICE[1]
Riverside Community College District

Year Ending (August 1)	2005 Refunding Bonds	2010D Bonds	2010D-1 Bonds[2]	2014A Refunding Bonds	2014B Refunding Bonds	New Money Bonds	Refunding Bonds	Total Annual Debt Service
2015	$2,930,000.00	$375,000.00	$7,164,193.00	$1,397,350.00	$1,776,515.70	$1,586,589.58	$1,108,389.58	$16,338,037.86
2016	--	570,000.00	7,164,193.00	1,762,350.00	4,572,838.00	1,140,575.00	2,161,975.00	17,371,931.00
2017	--	765,000.00	7,164,193.00	1,807,750.00	4,788,195.80	1,334,575.00	2,159,975.00	18,019,688.80
2018	--	970,000.00	7,164,193.00	1,830,750.00	5,014,444.60	--	2,157,975.00	17,137,362.60
2019	--	1,175,000.00	7,164,193.00	1,867,500.00	5,249,876.36	--	2,155,975.00	17,612,544.36
2020	--	1,360,000.00	7,164,193.00	1,896,250.00	5,500,331.10	--	2,153,975.00	18,074,749.10
2021	--	1,560,000.00	7,164,193.00	1,922,250.00	5,774,465.50	--	2,151,975.00	18,572,883.50
2022	--	1,775,000.00	7,164,193.00	1,970,500.00	6,031,565.50	--	2,148,975.00	19,090,233.50
2023	--	1,975,000.00	7,164,193.00	2,009,750.00	6,320,704.50	--	2,145,975.00	19,615,622.50
2024	--	2,190,000.00	7,164,193.00	2,060,250.00	6,610,318.00	--	2,142,975.00	20,167,736.00
2025	--	3,205,000.00	7,164,193.00	8,213,250.00	--	--	2,139,975.00	20,722,418.00
2026	--	--	7,164,193.00	8,540,500.00	--	2,505,000.00	2,136,975.00	20,346,668.00
2027	--	--	7,164,193.00	8,873,750.00	--	2,755,000.00	2,133,975.00	20,926,918.00
2028	--	--	7,164,193.00	--	--	2,670,000.00	11,090,975.00	20,925,168.00
2029	--	--	7,164,193.00	--	--	2,985,000.00	11,447,975.00	21,597,168.00
2030	--	--	7,164,193.00	--	--	3,230,000.00	11,889,475.00	22,283,668.00
2031	--	--	7,924,193.00	--	--	2,820,000.00	12,261,725.00	23,005,918.00
2032	--	--	14,516,213.00	--	--	8,820,000.00	398,475.00	23,734,688.00
2033	--	--	15,270,011.00	--	--	9,735,000.00	--	25,005,011.00
2034	--	--	15,445,277.00	--	--	10,190,000.00	--	25,635,277.00
2035	--	--	15,616,169.00	--	--	10,640,000.00	--	26,256,169.00
2036	--	--	15,774,201.00	--	--	11,115,000.00	--	26,889,201.00
2037	--	--	15,925,658.00	--	--	11,605,000.00	--	27,530,658.00
2038	--	--	16,066,468.00	--	--	12,115,000.00	--	28,181,468.00
2039	--	--	16,197,770.00	--	--	12,640,000.00	--	28,837,770.00
2040	--	--	16,315,351.00	--	--	--	--	16,315,351.00
Total	$2,930,000.00	$15,920,000.00	$263,678,399.00	$44,152,200.00	$51,639,255.06	$107,886,739.58	$73,987,714.58	$560,194,308.22

(1) Following the refunding of the Refunded Bonds with proceeds of the Refunding Bonds as described herein, no 2007C Bonds will remain outstanding.

(2) The 2010D-1 Bonds are designated as "Build America Bonds" pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on such bonds on or about each semi-annual interest payment date (each a "BAB Subsidy"). This table reflects gross debt service payments with respect to the 2010D-1 Bonds and does not reflect the anticipated receipt of the BAB Subsidy. The BAB Subsidy is subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the BAB Subsidy by 7.3% through the end of the current federal fiscal year (September 30, 2015). In the absence of action by the United States Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect the BAB Subsidies currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the County Board is empowered and obligated to levy *ad valorem* property taxes in an amount sufficient to pay the principal of and interest on the 2010D-1 Bonds. The County will deposit any cash BAB Subsidy received into the debt service fund for the 2010D-1.

Source: Riverside Community College District.

Capital Leases. The District has entered into capital lease agreements primarily to lease equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The current lease agreements in the amount of $118,547 will be paid through 2017. The District's liability on the lease agreements with the option to purchase is summarized below:

Year Ending June 30,	Lease Payment
2015	$57,940
2016	54,612
2017	18,003
Total	130,555
Less: Amount Represent Interest	(12,008)
Present Value of Minimum Lease Payments	$118,547

The equipment purchased through the capital leases has been capitalized and is being depreciated over the estimated useful lives, as shown below.

Equipment	$226,424
Less: Accumulated Depreciation	(214,719)
Total	$11,705

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

Source: Riverside Community College District.

TAX MATTERS

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 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 and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to the 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. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from 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.

Bond Counsel's opinion as to the exclusion from gross income 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 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 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 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 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 INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY SUCH 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, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. 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 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 Resolutions 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 of interest (and original issue discount) on the Bonds 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 Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered 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) with respect to 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.

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 State Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of bondholders (including beneficial 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 (presently ending June 30), commencing with the report for the 2014-15 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 contained in the Annual Report or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Previous Undertakings. The District has previously entered into continuing disclosure undertakings pursuant to the Rule. Within the past five years, the District has failed to file in a timely manner notices of certain listed events, as required by its previous continuing disclosure undertakings. The District has retained Keygent LLC as its dissemination agent to assist it in preparing and filing the annual reports and notices of listed events required under its existing continuing disclosure undertakings, as well as the undertaking in connection with the Bonds.

The District elected to participate in the Municipalities Continuing Disclosure Cooperation ("MCDC") initiative of the Securities and Exchange Commission. The MCDC is a program allowing issuers and underwriters to voluntarily report issuances of municipal obligations where the official statement or other offering document therefor may have made misstatements about compliance with the issuer's or other obligated person's continuing disclosure obligations. The District was notified by the underwriter for the District's 2010D Bonds and 2010D-1 Bonds that it filed a report under MCDC with respect to statements made in the official statement for such issuances. The District also filed a report under MCDC for statements made in the official statement for the District's 2010D Bonds and 2010D-1 Bonds.

No 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.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date of 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, Causey Demgen & Moore P.C. 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 (a) the adequacy of the moneys in the Escrow Fund to pay the redemption price of and interest on the Refunded Bonds and (b) the computations of yield of the Bonds which support Bond Counsel's opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

Legal Opinions

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. Copies of the proposed forms of such legal opinions are attached hereto as APPENDIX A.

MISCELLANEOUS

Ratings

Moody's and S&P have assigned the Bonds the ratings of "Aa2" and "AA," respectively. Generally, rating agencies base their ratings on information and material furnished directly to them and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agencies, at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District will covenant 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 District's audited financial statements with supplemental information for the year ended June 30, 2014, 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 November 24, 2014 of Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants (the "Auditor"), are attached to this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to 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

Piper Jaffray & Co. (the "Underwriter") has agreed, pursuant to a purchase contract by and between the District and the Underwriter, to (i) purchase all of the New Money Bonds for a purchase price of $45,004,145.30 (consisting of the principal amount of the New Money Bonds of $45,004,145.30, plus net original issue premium of $179,460.20, less Underwriter's discount of $179,460.20), and (ii) purchase all of the Refunding Bonds for a purchase price of $49,479,116.85 (consisting of the principal amount of the Refunding Bonds of $43,920,000.00, plus net original issue premium of $5,734,796.85, less Underwriter's discount of $175,680.00).

The respective purchase contracts related to 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 the respective purchase contracts, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the inside front cover pages of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following language for inclusion in this Official Statement: The Underwriter has entered into a distribution agreement (the "Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") that enables CS&Co to distribute certain new issue municipal securities underwritten by or allocated to the Underwriter which could include the Bonds. Under the Distribution Agreement, the Underwriter will share with CS&CO a portion of the fee or commission paid to the Underwriter.

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 Resolutions 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.

Some of the 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

APPENDIX A

FORMS OF OPINION OF BOND COUNSEL

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

July 1, 2015

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 $45,004,145.30 Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E (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, a greater than 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 resolutions adopted by the Board of Trustees of the Riverside Community College District (the "District") on May 5, 2015 and by the Riverside County Board of Supervisors on May 19, 2015 (together, 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* 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 and corporations; however, it should be noted that, with respect to corporations, such interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.

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. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. 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 the issuance and delivery of the Refunding Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:

July 1, 2015

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 $43,920,000 Riverside Community College District (Riverside and San Bernardino Counties, California) 2015 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 resolutions adopted by the Board of Trustees of the Riverside Community College District (the "District") on March 18, 2014 and May 5, 2015 (together, 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* 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 and corporations; however, it should be noted that, with respect to corporations, such interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.

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

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APPENDIX B

THE DISTRICT'S 2013-14 AUDITED FINANCIAL STATEMENTS

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RIVERSIDE COMMUNITY COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2014 AND 2013

RIVERSIDE COMMUNITY COLLEGE DISTRICT

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JUNE 30, 2014 AND 2013

FINANCIAL SECTION

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 of Riverside Community College District (the District) as of and for the years ended June 30, 2014 and 2013, 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 opinion.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District as of June 30, 2014 and 2013, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in the Note 17 to the financial statements, the District has elected to change its method of accounting for cost of debt issuance as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities.* 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 and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 24, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co., LLP.

Riverside, California
November 24, 2014

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, 2014. 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, 2014. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

- The District's primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2013-2014 fiscal year, total reported resident FTES were 26,400 as compared to 25,119 in the 2012-2013 fiscal year. Total unfunded credit FTES was 547 for fiscal year 2013-2014 and 0 for fiscal year 2012-2013.

- Several construction and modernization projects at the District's three colleges resulted in completed buildings, building improvements, and improvements to sites totaling $26,004,576 in the 2013-2014 fiscal year. The projects, listed below, are primarily funded through the District's voter approved General Obligation Bond, Measure C, but also through State Construction Act funds in the case of the Moreno Valley College Student /Academic Services Building.

  Science Laboratories Remodel Project – Moreno Valley
  Student /Academic Services Building – Moreno Valley
  Lovekin Parking/Tennis Project – Riverside

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- Employee salaries increased by 6.13 percent or $6.3 million from the 2012-2013 fiscal year and employee benefits increased by 0.05 percent or $0.02 million. The increase in salaries is primarily due to a COLA increase of 1.57 percent for full-time and permanent part-time employees, scheduled salary step increases, employee reclassifications, and an increase in the number of positions after years of a District-wide hiring freeze, layoffs, and a supplementary retirement plan (SRP) offer enacted in fiscal year 2011-2012. The increase in benefit costs is primarily due to a decrease of 87.5 percent, or $1.1 million, in the State Unemployment Insurance rate and in addition to an increase in health and welfare benefits and other fixed charges associated with the increased number of positions discussed above.

- During the 2013-2014 fiscal year, the District provided over $71.2 million in financial aid to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below.

Federal Pell Grants (PELL)	$ 41,930,429
Federal Supplement Education Opportunity Grant (FSEOG)	924,263
Federal Direct Student Loans (Direct Loans)	3,983,762
Federal Work Study Program (FWS)	965,407
State of California Cal Grant B (CALG-B)	1,919,196
California Community College Board of Governor's Fee Wavier	21,456,127
Total Financial Aid Provided to Students	$ 71,179,184

THE DISTRICT AS A WHOLE

Net Position

Table 1

(Amounts in thousands)

	2014	2013*	Change	2012*	Change
ASSETS					
Current Assets					
Cash and investments	$ 82,318	$ 96,506	$ (14,188)	$ 110,626	$ (28,308)
Accounts receivable (net)	26,692	44,588	(17,896)	48,244	(21,552)
Other current assets	141	225	(84)	166	(25)
Total Current Assets	109,151	141,319	(32,168)	159,036	(49,885)
Capital assets (net)	382,755	369,636	13,119	352,225	30,530
Total Assets	491,906	510,955	(19,049)	511,261	(19,355)
DEFERRED OUTFLOWS OF RESERVES					
Deferred charge on refunding	8,122	1,687	6,435	2,028	6,094
Total Assets and Deferred Outflows	$ 500,028	$ 512,642	$ (12,614)	$ 513,289	$ (13,261)
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	$ 25,346	$ 43,548	$ (18,202)	$ 35,100	$ (9,754)
Current portion of long-term obligations	7,217	5,592	1,625	8,592	(1,375)
Total Current Liabilities	32,563	49,140	(16,577)	43,692	(11,129)
Long-Term Obligations	254,667	251,067	3,600	252,873	1,794
Total Liabilities	287,230	300,207	(12,977)	296,565	(9,335)
NET POSITION					
Net investment in capital assets	188,515	187,109	1,406	194,627	(6,112)
Restricted	19,208	22,017	(2,809)	21,943	(2,735)
Unrestricted	5,075	3,309	1,766	154	4,921
Total Net Position	212,798	212,435	363	216,724	(3,926)
Total Liabilities and Net Position	$ 500,028	$ 512,642	$ (12,614)	$ 513,289	$ (13,261)

* As restated.

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

(Amounts in thousands)

	2014	2013	Change	2012	Change
Operating Revenues					
Tuition and fees (net)	$ 16,537	$ 15,255	$ 1,282	$ 13,820	$ 2,717
Other operating revenues	23	-	23	3	20
Total Operating Revenues	16,560	15,255	1,305	13,823	2,737
Operating Expenses					
Salaries and benefits	140,732	134,462	6,270	137,923	2,809
Supplies and maintenance	33,420	33,531	(111)	41,668	(8,248)
Student financial aid	50,666	46,767	3,899	45,575	5,091
Depreciation	15,834	18,593	(2,759)	11,833	4,001
Total Operating Expenses	240,652	233,353	7,299	236,999	3,653
Loss on Operations	(224,092)	(218,098)	(5,994)	(223,176)	(916)
Nonoperating Revenues					
State apportionments	93,568	84,732	8,836	88,517	5,051
Property taxes	39,202	37,187	2,015	36,803	2,399
State revenues	8,581	8,905	(324)	7,946	635
Federal and State grants and contracts	75,433	69,029	6,404	67,186	8,247
Net investment income	335	949	(614)	1,331	(996)
Net interest expense	(9,590)	(13,636)	4,046	(15,265)	5,675
Other nonoperating revenues	13,052	17,499	(4,447)	9,042	4,010
Loss on disposal of assets	(2)	(584)	582	(10)	8
Total Nonoperating Revenue	220,579	204,081	16,498	195,550	25,029
Other Revenues					
State capital income	3,876	9,729	(5,853)	12,941	(9,065)
Net Increase (Decrease) in Net Position	$ 363	$ (4,288)	$ 4,651	$ (14,685)	$ 15,048

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in fiscal year 2013-2014. 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 2013-2014, the District's interest income was $0.3 million and interest expense was $9.6 million. Interest income is primarily derived from cash held in the Riverside County Treasury. Interest income has decreased approximately $0.6 million from the 2012-2013 fiscal year due to significantly lower interest rates and the State's apportionment deferral strategy passed along to community colleges. A decrease of $4.0 million in interest expense for the year is the result of lower General Obligation Bond principal and slightly lower interest rates on that principal.

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, 2014:

(Amounts in thousands)

	Salaries and Employee Benefits	Supplies, Materials, and Other Operating Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional activities	$ 67,128	$ 2,405	$ -	$ -	$ 69,533
Academic support	35,438	9,472	-	-	44,910
Student services	17,790	1,773	-	-	19,563
Plant operations and maintenance	6,458	3,020	-	-	9,478
Instructional support services	5,156	677	-	-	5,833
Community services and economic development	1,247	249	-	-	1,496
Ancillary services and auxiliary operations	7,057	1,867	-	-	8,924
Student aid	-	-	50,666	-	50,666
Physical property and related acquisitions	458	13,957	-	-	14,415
Unallocated depreciation	-	-	-	15,834	15,834
Total	$ 140,732	$ 33,420	$ 50,666	$ 15,834	$ 240,652

Year ended June 30, 2013:

(Amounts in thousands)

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

Changes in Cash Position

Table 4

(Amounts in thousands)

	2014	2013	Change	2012	Change
Cash Provided by (Used in)					
Operating activities	$ (225,846)	$ (191,018)	$ (34,828)	$ (211,183)	$ (14,663)
Noncapital financing activities	234,881	207,545	27,336	201,311	33,570
Capital financing activities	(23,539)	(31,613)	8,074	(42,709)	19,170
Investing activities	316	966	(650)	1,431	(1,115)
Net Increase (Decrease) in Cash	(14,188)	(14,120)	(68)	(51,150)	36,962
Cash, Beginning of Year	96,506	110,626	(14,120)	161,776	(65,270)
Cash, End of Year	$ 82,318	$ 96,506	$ (14,188)	$ 110,626	$ (28,308)

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the District had $504.4 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2014, the District's net capital assets were $382.8 million. Major capital improvement projects are ongoing throughout the District. These projects are primarily funded through State Construction Act 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.

Table 5

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	$ 66,591	$ 25,210	$ (25,396)	$ 66,405
Buildings and land improvements	372,437	26,005	-	398,442
Equipment and vehicles	36,398	3,136	(8)	39,526
Subtotal	475,426	54,351	(25,404)	504,373
Accumulated depreciation	(105,790)	(15,835)	7	(121,618)
	$ 369,636	$ 38,516	$ (25,397)	$ 382,755

We present more detailed information about our capital assets in Note 5 to the financial statements.

Obligations

At the end of the 2013-2014 fiscal year, the District had $248.6 million in General Obligation Bonds outstanding. These bonds are repaid in annual installments, in accordance with the obligation requirements, by way of property tax assessments on property within the Riverside Community College District's boundaries.

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

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

Table 6

(Amounts in thousands)

	Balance Beginning of Year, as Restated	Additions	Deletions	Balance End of Year
General obligation bonds	$ 243,735	$ 79,257	$ (74,351)	$ 248,641
Other liabilities	12,924	3,149	(2,830)	13,243
Total Long-Term Obligations	$ 256,659	$ 82,406	$ (77,181)	$ 261,884
Amount due within one year				$ 7,217

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 2013-2014 fiscal year on June 17, 2014.

The District's final revised budget for the unrestricted General Fund anticipated that expenditures would exceed revenues by $5.1 million. The actual results for the year showed revenues exceeded expenditures by $.8 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 65.67 percent. The District reported an increase of 1,281 FTES during fiscal year 2013-2014 which resulted from an increase of course offerings. The District's fiscal year 2014-2015 adopted budget anticipates revenue increases of $8.24 million, expenditure increases of $5.96 million, and a Board-approved contingency reduction from 5 percent to 4.28 percent in recognition of an anticipated budget shortfall of $1.16 million. 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 1533 Spruce Street, Riverside, California 92507.

BASIC FINANCIAL STATEMENTS

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENTS OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,253,867	$ 872,926
Investments - unrestricted	10,842,443	12,424,343
Investments - restricted	69,221,484	83,208,895
Accounts receivable	26,137,226	44,143,201
Student accounts receivable, net	555,101	445,158
Due from fiduciary funds	24,608	94,410
Prepaid expenses	87,980	102,801
Inventories	28,744	27,367
Total Current Assets	109,151,453	141,319,101
Noncurrent Assets		
Nondepreciable capital assets	66,405,254	66,590,738
Depreciable capital assets, net of depreciation	316,349,664	303,045,236
Total Noncurrent Assets	382,754,918	369,635,974
TOTAL ASSETS	491,906,371	510,955,075
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	8,121,806	1,686,893
LIABILITIES		
Current Liabilities		
Accounts payable	8,859,037	10,270,030
Short-term borrowing	4,970,000	19,805,000
Accrued interest payable	3,927,372	5,412,174
Due to fiduciary funds	77,352	57,584
Unearned revenue	5,012,147	4,802,660
Claims liability	2,500,000	3,200,000
Compensated absences payable - current portion	1,246,628	1,299,513
Bonds payable - current portion	4,635,000	2,960,000
Lease obligations - current portion	50,755	47,578
Other long-term obligations - current portion	1,284,856	1,284,856
Total Current Liabilities	32,563,147	49,139,395
Noncurrent Liabilities		
Compensated absences payable - noncurrent portion	1,203,543	1,249,300
Bonds payable - noncurrent portion	230,468,164	231,327,828
Bond premium	13,537,657	9,447,467
Lease obligations - noncurrent portion	67,792	118,548
Other long-term obligations - noncurrent portion	9,389,795	8,924,218
Total Noncurrent Liabilities	254,666,951	251,067,361
TOTAL LIABILITIES	287,230,098	300,206,756
NET POSITION		
Net investment in capital assets	188,515,239	187,108,729
Restricted for:		
Debt service	7,639,470	5,811,860
Capital projects	980,406	6,716,128
Educational programs	10,588,312	9,489,127
Unrestricted	5,074,652	3,309,368
TOTAL NET POSITION	$ 212,798,079	$ 212,435,212

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
Student Tuition and Fees	$ 37,992,745	$ 34,447,543
Less: Scholarship discount and allowance	(21,456,127)	(19,192,627)
Net tuition and fees	16,536,618	15,254,916
Other Operating Revenues	23,090	296
TOTAL OPERATING REVENUES	16,559,708	15,255,212
OPERATING EXPENSES		
Salaries	108,269,614	102,014,682
Employee benefits	32,462,402	32,447,122
Supplies, materials, and other operating expenses and services	30,019,823	32,151,415
Student financial aid	50,666,043	46,767,408
Equipment, maintenance, and repairs	3,399,899	1,380,028
Depreciation	15,834,281	18,592,580
TOTAL OPERATING EXPENSES	240,652,062	233,353,235
OPERATING LOSS	(224,092,354)	(218,098,023)
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	93,567,956	84,731,624
Federal grants	61,721,576	58,614,887
State grants	13,710,929	10,414,479
Local property taxes levied for general purposes	25,395,020	24,675,519
Local property taxes levied for capital debt	13,806,538	12,511,382
State taxes and other revenues	8,580,722	8,905,275
Investment income	314,781	923,765
Interest expense on capital related debt	(9,590,099)	(13,636,466)
Investment income on capital related debt, net	20,585	25,705
Loss on disposal of capital assets	(1,539)	(584,330)
Other nonoperating revenue	13,052,773	17,499,146
TOTAL NONOPERATING REVENUES (EXPENSES)	220,579,242	204,080,986
LOSS BEFORE OTHER REVENUES	(3,513,112)	(14,017,037)
OTHER REVENUES		
State revenues, capital	3,875,979	9,728,785
CHANGE IN NET POSITION	362,867	(4,288,252)
NET POSITION, BEGINNING OF YEAR	212,435,212	218,945,064
PRIOR PERIOD RESTATEMENT (see Note 17)	-	(2,221,600)
NET POSITION, END OF YEAR	$ 212,798,079	$ 212,435,212

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 16,058,036	$ 15,076,347
Short-term borrowings	(14,835,000)	10,845,000
Payments to vendors for supplies and services	(36,183,656)	(36,093,864)
Payments to or on behalf of employees	(140,241,903)	(134,078,075)
Payments to students for Federal direct student aid	(47,704,086)	(44,272,080)
Payments to students for State direct student aid	(2,387,034)	(1,919,196)
Payments to students for Local direct student aid	(574,923)	(576,132)
Other operating receipts	23,090	296
Net Cash Flows From Operating Activities	(225,845,476)	(191,017,704)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	105,614,965	88,194,864
Federal grants and contracts	61,698,978	60,563,696
State grants and contracts	13,066,274	10,826,447
Property taxes - non-debt related	25,527,418	24,735,651
State taxes and other apportionments	15,411,645	2,387,405
Other nonoperating	13,561,596	20,836,563
Net Cash Flows From Noncapital Financing Activities	234,880,876	207,544,626
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(30,075,469)	(38,584,131)
Proceeds from sale of general obligation bonds	77,966,704	-
Proceeds from issuance of capital leases	-	68,256
State revenue, capital projects	3,875,979	9,728,785
Property taxes - related to capital debt	13,806,538	12,511,382
Principal paid on capital debt	(74,399,093)	(3,466,152)
Interest paid on capital debt	(9,590,099)	(13,636,466)
Interest received on capital related debt	20,585	25,705
Accreted interest on general obligation bonds	1,290,336	1,398,632
Deferred charges on refunding	(6,434,913)	341,006
Net Cash Flows From Capital Financing Activities	(23,539,432)	(31,612,983)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	315,662	965,930
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,188,370)	(14,120,131)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	96,506,164	110,626,295
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 82,317,794	$ 96,506,164

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS - PRIMARY GOVERNMENT, Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	$ (224,092,354)	$ (218,098,023)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities:		
Depreciation	15,834,281	18,592,580
Changes in Operating Assets and Liabilities:		
Student receivables, net	(109,943)	(114,072)
Inventories	(1,375)	2,424
Prepaid expenses	14,821	4,760
Accounts payable and other accrued liabilities	(3,729,249)	(2,275,028)
Unearned revenue	706,408	(309,168)
Compensated absences	(148,474)	(44,424)
Supplementary Retirement Plan (SRP)	(1,284,857)	(1,284,856)
Other postemployment benefits (OPEB)	1,800,266	1,663,103
Short-term borrowings	(14,835,000)	10,845,000
Total Adjustments	(1,753,122)	27,080,319
Net Cash Flows From Operating Activities	$ (225,845,476)	$ (191,017,704)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash in banks	$ 2,253,867	$ 872,926
Unrestricted cash in county treasury	10,842,443	12,424,343
Restricted cash in county treasury	69,221,484	83,208,895
Total Cash and Cash Equivalents	$ 82,317,794	$ 96,506,164
NON CASH TRANSACTIONS		
On behalf payments for benefits	$ 3,355,343	$ 3,301,204
Loss on disposal of capital assets	1,539	584,330
	$ 3,356,882	$ 3,885,534

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2014 AND 2013

	2014 Trust	2013 Trust
ASSETS		
Cash and cash equivalents	$ 2,002,580	$ 2,041,953
Accounts receivable, net	869	13,137
Due from primary government	77,352	57,584
Total Assets	2,080,801	2,112,674
LIABILITIES		
Accounts payable	52,573	97,560
Due to primary government	24,608	94,410
Due to student groups	996,228	1,114,982
Total Liabilities	1,073,409	1,306,952
NET POSITION		
Unreserved	1,007,392	805,722
Total Net Position	$ 1,007,392	$ 805,722

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014 Trust	2013 Trust
ADDITIONS		
Local revenues	$ 947,187	$ 594,712
DEDUCTIONS		
Books and supplies	494,197	388,447
Services and operating expenditures	251,320	335,812
Capital outlay	-	3,991
Total Deductions	745,517	728,250
OTHER FINANCING SOURCES		
Other sources	-	90,646
Change in Net Position	201,670	(42,892)
Net Position - Beginning	805,722	848,614
Net Position - Ending	$ 1,007,392	$ 805,722

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.

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, 2014, is as follows:

Condensed Statement of Net Position

ASSETS	
Cash and cash equivalents	$ 16,228
NET POSITION	
Restricted for:	
Capital projects	$ 16,228

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

NONOPERATING REVENUES	
Investment income	$ 8
CHANGE IN NET POSITION	8
NET POSITION, BEGINNING OF YEAR	16,220
NET POSITION, END OF YEAR	$ 16,228

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2014 and 2013, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Assets

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

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 $138,775 and $111,289 for the years ended June 30, 2014 and 2013, respectively.

Prepaid Expenses

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

Inventories

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

Capital Assets and Depreciation

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

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

Accrued Liabilities and Long-term Obligations

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

Debt Issuance Costs, Premiums, and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, 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.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

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

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

Net Position

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The entity-wide financial statements report $19,208,188 of restricted net position.

State Apportionments

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

Property Taxes

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

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

Board of Governors Grants (BOGG) and Fee Waivers

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related *Compliance Supplement*.

On Behalf Payments

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

Estimates

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

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated within the primary government funds during the consolidation process in the entity-wide financial statements.

Change in Accounting Principles

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

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

The District has implemented the provisions of this Statement for the year ended June 30, 2014.

As the result of implementing GASB Statement No. 65, the District has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2012, by $2,221,600. The decrease results from no longer deferring and amortizing bond issuance costs.

New Accounting Pronouncements

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

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

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

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

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

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

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

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

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

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a State or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a State or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a State or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a State or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

Comparative Financial Information

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

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

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

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, 2014, consist of the following:

	Primary Government
Cash on hand and in banks	$ 2,203,867
Cash in revolving	50,000
Investments	80,063,927
Total Deposits and Investments	$ 82,317,794

	Fiduciary Funds
Cash on hand and in banks	$ 2,002,580

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	$ 80,021,494	1.37*

*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 investment in the County pool is not required to be rated. The District's investments in the Riverside County Investment Pool are rated AAA/V1 by Fitch Ratings Ltd. as of June 30, 2014.

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, 2014, the District and fiduciary funds had bank balances of $1,690,442 and $2,106,471, respectively, totaling $3,796,913 of which $2,792,095 was exposed to custodial credit risk because it was uninsured and collateralized at 110 percent of balance over $250,000 with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	Primary Government	
	2014	2013
Federal Government		
Categorical aid	$ 3,083,901	$ 2,913,569
State Government		
Apportionment	16,587,709	27,360,791
Categorical aid	1,522,886	2,777,988
Other State sources	1,929,836	7,505,657
Local Sources		
Interest	65,560	66,441
Property taxes	962,325	1,094,723
Riverside Community College District Foundation	97,137	69,799
Contributions from Foundation for Aquatics Complex	53,968	37,826
Other local sources	1,833,904	2,316,407
Total	$ 26,137,226	$ 44,143,201
Student receivables	$ 693,876	$ 556,447
Less allowance for bad debt	(138,775)	(111,289)
Student receivables, net	$ 555,101	$ 445,158
Total Receivables, Net	$ 26,692,327	$ 44,588,359

	Fiduciary Funds	
	2014	2013
Other local	$ 869	$ 13,137

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2014, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 32,502,697	$ -	$ -	$ 32,502,697
Construction in progress	34,088,041	25,210,322	25,395,806	33,902,557
Total Capital Assets Not Being Depreciated	66,590,738	25,210,322	25,395,806	66,405,254
Capital Assets Being Depreciated				
Land improvements	12,656,518	57,249	-	12,713,767
Buildings and improvements	359,780,506	25,947,327	-	385,727,833
Furniture and equipment	36,398,279	3,135,672	8,211	39,525,740
Total Capital Assets Being Depreciated	408,835,303	29,140,248	8,211	437,967,340
Total Capital Assets	475,426,041	54,350,570	25,404,017	504,372,594
Less Accumulated Depreciation				
Land improvements	7,923,682	802,427	-	8,726,109
Buildings and improvements	67,261,660	12,005,383	-	79,267,043
Furniture and equipment	30,604,725	3,026,471	6,672	33,624,524
Total Accumulated Depreciation	105,790,067	15,834,281	6,672	121,617,676
Net Capital Assets	$ 369,635,974	$ 38,516,289	$ 25,397,345	$ 382,754,918

Depreciation expense for the year was $15,834,281.

Interest expense on capital related debt for the year ended June 30, 2014, was $13,122,608. Of this amount, $3,532,509 was capitalized.

The District was the beneficiary of an extensive bequest of Mine Okubo's estate, a Japanese-American artist, inclusive of paintings, works of art, reference materials, photographs, books, writings, letters, and printed material. The District took possession of the materials bequeathed from the estate of Ms. Okubo as of June 30, 2009. The District has included the collection and materials as priceless in the District's capital assets (non-depreciable assets). During the course of the next several years and as the District learns the collection's long-term historical value, the values will be added to the District's capital assets. As of June 30, 2014, the District has not recorded a value for the collection in the financial statements.

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

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

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

Interest expense on capital related debt for the year ended June 30, 2013, was $13,784,557. Of this amount, $1,375,826 was capitalized.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government	
	2014	2013
Accrued payroll and benefits	$ 927,158	$ 803,980
Apportionment	2,740,824	1,466,897
Student financial aid grants	335,444	1,636,868
State categorical programs	95,556	99,031
Construction payables	2,521,633	3,642,338
Vendor payables	2,238,422	2,620,916
Total	$ 8,859,037	$ 10,270,030

	Fiduciary Funds	
	2014	2013
Vendor payables	$ 52,573	$ 97,560

NOTE 7 - UNEARNED REVENUE

Unearned revenue consisted of the following:

	Primary Government	
	2014	2013
Federal financial assistance	$ 148,797	$ 1,063
State categorical aid	1,248,167	1,548,578
Other State aid	863,656	262,516
Enrollment fees	1,329,140	1,741,830
Theater subscriptions	75,573	27,076
Health and liability self-insurance	1,115,953	1,050,581
Summer community education fees	13,465	17,911
Other local	217,396	153,105
Total	$ 5,012,147	$ 4,802,660

NOTE 8 - TAX AND REVENUE ANTICIPATION NOTES

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

At June 30, 2014, the District had outstanding Tax and Revenue Anticipation Notes in the amount of $4,970,000 bearing interest of two percent. The notes were sold to supplement cash flow. Repayment requires that a percentage of principal and interest be deposited with the fiscal agent in July 2014 until 100 percent of the total principal and interest is due at maturity on October 1, 2014. The total outstanding Tax and Revenue Anticipation Notes of $4,970,000 was paid in full to the fiscal agent on July 31, 2014. As of June 30, 2014, the Tax and Revenue Anticipation Notes of $4,970,000, and the related accrued interest and cash held in trust, are included in these financial statements.

	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year
2012-2013 2.00% TRANS, Series T	$ 19,805,000	$ -	$ 19,805,000	$ -
2013-2014 2.00% TRANS, Series A	-	4,970,000	-	4,970,000
Total	$ 19,805,000	$ 4,970,000	$ 19,805,000	$ 4,970,000

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2014, the amounts owed between the primary government and the fiduciary funds were $24,608 and $77,352, 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 2014 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 2014 fiscal year consisted of the following:

	Balance Beginning of Year as Restated	Additions	Deductions	Balance End of Year	Due in One Year
Bonds Payable					
General obligation bonds, Series A	$ 2,355,000	$ -	$ 1,355,000	$ 1,000,000	$ 1,000,000
General obligation bonds,					
Refunding Bond 2005	52,140,578	633,427	48,130,000	4,644,005	2,315,000
Unamortized debt premium	6,111,264	-	552,278	5,558,986	-
General obligation bonds, Series 2007 C	68,510,000	-	24,080,000	44,430,000	-
Unamortized debt premium	1,760,604	-	176,060	1,584,544	-
General obligation bonds, Series 2010 D/D-1	111,282,250	656,909	-	111,939,159	-
Unamortized debt premium	1,575,599	-	58,176	1,517,423	-
General obligation bonds,					
Refunding Bonds 2014, Series A and B	-	73,090,000	-	73,090,000	1,320,000
Unamortized debt premium	-	4,876,704	-	4,876,704	-
Total Bonds Payable	243,735,295	79,257,040	74,351,514	248,640,821	4,635,000
Other Liabilities					
Compensated absences	2,548,813	-	98,642	2,450,171	1,246,628
Capital leases	166,126	-	47,579	118,547	50,755
Supplementary Retirement Plan (SRP)	3,415,773	-	1,284,857	2,130,916	1,284,856
Load banking	748,669	189,040	238,872	698,837	-
Other postemployment benefits (OPEB)	6,044,632	2,960,168	1,159,902	7,844,898	-
Total Other Liabilities	12,924,013	3,149,208	2,829,852	13,243,369	2,582,239
Total Long-Term Obligations	$ 256,659,308	$ 82,406,248	$ 77,181,366	$ 261,884,190	$ 7,217,239

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

	Balance Beginning of Year	*GASB Statement No. 65 Restatement	Additions	Deductions	Balance End of Year As Resated	Due in One Year
Bonds Payable						
General obligation bonds, Series A	$ 2,975,000	$ -	$ -	$ 620,000	$ 2,355,000	$ 795,000
General obligation bonds,						
Refunding Bond 2005	53,362,166	-	793,412	2,015,000	52,140,578	2,165,000
Unamortized debt premium	4,054,425	2,609,117	-	552,278	6,111,264	-
General obligation bonds, Series 2007 C	68,510,000	-	-	-	68,510,000	-
Unamortized debt premium	1,936,666	-	-	176,062	1,760,604	-
General obligation bonds, Series 2010 D/D-1	110,677,030	-	605,220	-	111,282,250	-
Unamortized debt premium	1,633,775	-	-	58,176	1,575,599	-
Total Bonds Payable	243,149,062	2,609,117	1,398,632	3,421,516	243,735,295	2,960,000
Other Liabilities						
Compensated absences	2,589,152	-	-	40,339	2,548,813	1,299,513
Capital leases	142,506	-	68,256	44,636	166,126	47,578
Supplementary Retirement Plan (SRP)	4,700,629	-	223,833	1,508,689	3,415,773	1,284,856
Load banking	752,754	-	241,854	245,939	748,669	-
Other postemployment benefits (OPEB)	4,381,529	-	2,872,832	1,209,729	6,044,632	-
Total Other Liabilities	12,566,570	-	3,406,775	3,049,332	12,924,013	2,631,947
Total Long-Term Obligations	$ 255,715,632	$ 2,609,117	$ 4,805,407	$ 6,470,848	$ 256,659,308	$ 5,591,947

*As restated, see Note 17 for more information.

Description of Debt

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

Bonded Debt

2004 General Obligation Bonds

During March 2004, voters of the District authorized the issuance and sale of general obligation bonds in the amount of $350,000,000. As a result of the authorization, General Obligation Bonds Series 2004A "Series A Bonds" and Series 2004B (federally taxable) "Series B Bonds" were issued in August 2004. At June 30, 2014, the principal outstanding was $1,000,000.

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

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

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

2005 General Obligation Refunding Bonds

During May 2005, the District issued 2005 General Obligation Refunding Bonds in the amount of $58,386,109 with interest rates ranging from 3.00 to 5.00 percent. The bonds issued included $54,425,000 of current interest bonds and $3,961,109 of capital appreciation bonds, with the value of the capital appreciation bonds maturing to a principal balance of $10,555,000. The bonds mature through August 1, 2016. Principal and interest on the refunded debt will be paid until such time as they can be redeemed on August 1, 2014. At June 30, 2014, the principal outstanding was $4,644,005 and unamortized premium was $5,558,986.

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

2007 General Obligation Bonds

During June 2007, the District issued the 2007 General Obligation Bonds in the amount of $90,000,000. The bonds mature beginning on August 1, 2007 through August 1, 2032, with interest yields ranging from 3.62 to 4.47 percent. At June 30, 2014, the principal outstanding was $44,430,000 and unamortized premium cost of $1,584,544. 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 repair, acquisition, construction, and equipping of certain District facilities, and to pay all legal, financial, and contingent costs in connection with the issuance of the bonds. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. Interest with respect of the bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2007.

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, 2014, the principal balance outstanding was $111,939,159 and unamortized premium cost of $1,517,423. 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.

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, 2014, the principal balance outstanding was $29,130,000. Unamortized premium received on issuance of the bonds amounted to $4,876,704 as of June 30, 2014.

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, 2014, the principle balance outstanding was $43,960,000.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2013	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2014
2004	2015	4.00%-5.25%	$ 55,205,000	$ 2,355,000	$ -	$ -	$ 1,355,000	$ 1,000,000
2005	2016	3.00%-5.00%	58,386,109	52,140,578	-	633,427	48,130,000	4,644,005
2007	2033	3.62%-4.47%	90,000,000	68,510,000	-	-	24,080,000	44,430,000
2010	2041	2.36%-5.53%	109,999,278	111,282,250	-	656,909	-	111,939,159
2014	2028	0.40%-5.00%	73,090,000	-	73,090,000	-	-	73,090,000
				$ 234,287,828	$ 73,090,000	$ 1,290,336	$ 73,565,000	$ 235,103,164

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

Fiscal Year	Principal	Interest to Maturity	Total
2015	$ 1,000,000	$ 20,000	$ 1,020,000

The General Obligation Bonds, 2005 Refunding Bonds mature through 2016 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Total
2015	$ 2,183,947	$ 131,053	$ 2,315,000
2016	2,460,058	469,942	2,930,000
Total	$ 4,644,005	$ 600,995	$ 5,245,000

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

Fiscal Year	Principal	Interest to Maturity	Total
2015	$ -	$ 2,221,500	$ 2,221,500
2016	-	2,221,500	2,221,500
2017	-	2,221,500	2,221,500
2018	-	2,221,500	2,221,500
2019	-	2,221,500	2,221,500
2020-2024	-	11,107,500	11,107,500
2025-2029	9,520,000	10,869,500	20,389,500
2030-2033	34,910,000	2,813,250	37,723,250
Total	$ 44,430,000	$ 35,897,750	$ 80,327,750

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
2015	$ -	$ -	$ 7,164,193	$ 7,164,193
2016	314,854	60,146	7,322,979	7,697,979
2017	425,932	144,068	7,441,698	8,011,698
2018	508,762	256,238	7,579,817	8,344,817
2019	574,133	395,867	7,739,927	8,709,927
2020-2024	4,845,941	2,999,059	39,715,493	47,560,493
2025-2029	2,969,537	2,425,463	38,719,509	44,114,509
2030-2034	16,840,000	-	34,611,845	51,451,845
2035-2039	56,080,000	-	20,784,019	76,864,019
2040-2041	29,380,000	-	2,101,737	31,481,737
Total	$ 111,939,159	$ 6,280,841	$ 173,181,217	$ 291,401,217

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

Fiscal Year	Principal	Interest to Maturity	Total
2015	$ 1,320,000	$ 1,722,425	$ 3,042,425
2016	615,000	2,557,027	3,172,027
2017	3,780,000	2,533,067	6,313,067
2018	4,085,000	2,478,070	6,563,070
2019	4,400,000	2,396,286	6,796,286
2020-2024	28,385,000	9,689,788	38,074,788
2025-2028	30,505,000	3,087,784	33,592,784
Total	$ 73,090,000	$ 24,464,447	$ 97,554,447

Capital Leases

The District has utilized capital leases purchase agreements to primarily purchase equipment. The current lease purchase agreement in the amount of $118,547 will be paid through 2017.

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

Year Ending June 30,	Lease Payment
2015	$ 57,940
2016	54,612
2017	18,003
Total	130,555
Less: Amount Representing Interest	12,008
Present Value of Minimum Lease Payments	$ 118,547

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

Equipment	$ 226,424
Less: Accumulated depreciation	(214,719)
Total	$ 11,705

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

Supplementary Retirement Plan

The District has adopted the Public Agency Retirement System (PARS) 403(b) Supplementary Retirement Plan (SRP), a retirement incentive program. As of June 30, 2014, the outstanding balance was $2,130,916. See Note 14 for additional information regarding the SRP obligation.

Fiscal Year	SRP Payment
2015	$ 1,284,856
2016	846,060
Total	$ 2,130,916

Compensated Absences

Compensated absence obligations for the District at June 30, 2014, amounted to $2,450,171 of which $1,246,628 is considered current.

Other Postemployment Benefits Obligation

The District's annual required contribution for the year ended June 30, 2014, was $3,041,672, and contributions made by the District during the year were $1,159,902. Interest on the net OPEB obligation and adjustments to the annual required contribution were $302,232 and $(383,736), respectively, which resulted in an increase to the net OPEB obligation of $1,800,266. As of June 30, 2014, the net OPEB obligation was $7,844,898. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

Load Banking

The load banking obligation for the District at June 30, 2014, amounted to $698,837.

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

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

Plan Description

The Riverside Community College District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and one dependent. Membership of the Plan consists of 79 retirees and beneficiaries currently receiving benefits and 905 active Plan members.

Funding Policy

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2013-2014, the District contributed $1,159,902 to the Plan, all of which was used for current premiums.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 3,041,672
Interest on net OPEB obligation	302,232
Adjustment to annual required contribution	(383,736)
Annual OPEB cost (expense)	2,960,168
Contributions made	(1,159,902)
Increase in net OPEB obligation	1,800,266
Net OPEB obligation, beginning of year	6,044,632
Net OPEB obligation, end of year	$ 7,844,898

Trend Information

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

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2012	$ 2,242,316	$ 1,199,115	53%	$ 4,381,529
2013	2,872,832	1,209,729	42%	6,044,632
2014	2,960,168	1,159,902	39%	7,844,898

Funding Status and Funding Progress

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

Actuarial Accrued Liability (AAL)	$ 24,161,707
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 24,161,707
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll	N/A
UAAL as Percentage of Covered Payroll	N/A

The above noted actuarial accrued liability was based on the July 1, 2013, actuarial valuation. Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation, the unit credit cost method was used. Under this method, there are no liabilities dependent on salary, therefore, no salary increase rate is assumed. The actuarial assumptions include healthcare cost trend rate of eight percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at June 30, 2014, was 30 years. The actuarial value of assets was not determined in this actuarial valuation. As of June 30, 2014, the District finances its OPEB contributions using a pay-as-you-go method. The District has not established a plan or equivalent arrangement that contains an irrevocable trust.

NOTE 12 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District has coverage up to $25,000,000 for liability and tort risks. This coverage is subject to a $250,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of $600,000,000 (total pool value) and exposures of $332,514,000 with a $100,000 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, 2014, the District contracted with the Southern California Schools Risk Management (SCSRM) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. The District incurred a catastrophic property damage loss in August 2013 with an estimated exposure to SCSRM of $2.5 million. The District was exposed to its $100,000 self-insured retention and the retention was satisfied in November 2013.

Workers' Compensation

For fiscal year 2013-2014, the District participated in the Schools Excess Liability Fund Joint Powers Authority (JPA), an insurance purchasing pool. The District is self insured for the first $500,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / JPA Name	Type of Coverage	Limits
Self-Insured Certificate #7582 (California)	Workers' Compensation	$ 500,000
Schools Excess Liability Fund (SELF)	Excess Worker's Compensation	$ 2,000,000
Southern California Schools Risk Management (SCSRM)	General Liability	$ 500,000
Genesis Insurance Company and		$ 4,500,000
Schools Excess Liability Fund (SELF)	Excess Liability	$ 21,500,000
Southern California Schools Risk Management (SCSRM)	Property	$ 600,000,000

Employee Medical Benefits

The District has contracted 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 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 Plan. The employee may elect to change carriers once per year during open enrollment. Normally, such election shall be effective October 1 of each year.
- Dental **-** Delta insurance coverage for employees and dependents shall be provided by the District. All employees shall participate in the program.
- Life Insurance **-** The District provides a $50,000 life insurance policy by a carrier designated by the District. All employees shall participate in this life insurance program.

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, 2012 to June 30, 2014:

	Self-Insurance
Liability Balance, July 1, 2012	$ 3,140,000
Claims and changes in estimates	8,517,537
Claims payments	(8,457,537)
Liability Balance, June 30, 2013	3,200,000
Claims and changes in estimates	6,372,322
Claims payments	(7,072,322)
Liability Balance, June 30, 2014	$ 2,500,000
Assets available to pay claims at June 30, 2014	$ 4,295,537

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

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. As a result of the Public Employee Pension Reform Act of 2013 (PEPRA), changes have been made to the defined benefit pension plan effective January 1, 2013. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, CA 95605.

Funding Policy

Due to the implementation of the PEPRA, new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2013-2014, the required contribution rate for new members is 8.0 percent. "Classic" plan members are also required to contribute 8.0 percent of their salary. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013-2014 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, were $5,072,101, $4,744,140, and $4,995,773, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. As a result of the PEPRA, changes have been made to the defined benefit pension plan effective January 1, 2013. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

As a result of the implementation of the PEPRA, new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2013-2014, the normal cost is 11.85 percent, which rounds to a 6.0 percent contribution rate. "Classic" plan members continue to contribute 7.0 percent. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-2014 was 11.442 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2014, 2013, and 2012, were $4,103,502, $3,975,690, and $3,827,482, respectively, and equal 100 percent of the required contributions for each year.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, which amounted to $3,355,343, $3,301,204, and $3,132,192, respectively, (5.541 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the years ended June 30, 2014, 2013, and 2012. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

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

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

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

Public Agency Retirement System (PARS) - Alternate Retirement System

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

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

The minimum total contribution is 7.5 percent of employees' salaries, of which the employee contributes the total 7.5 percent. District employees are covered under PARS Plan #763 as of June 30, 2014. Total contributions to the plan amounted to $563,095.

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

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

NOTE 15 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the School Excess Liability Fund (SELF), the Riverside Community College - County Superintendent Self-Insurance Program for Employees (RCCCSSIPE), the Riverside Employers/Employees Plan (REEP), and the 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, 2014, the District made payments of $130,978, $41,169, $1,417,063, and $545,353 to SELF, RCCCSSIPE, REEP, and SCSRM, respectively.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2014.

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, 2014.

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
2015	$ 1,704,408
2016	742,932
2017	4,918
2018	4,279
Total	$ 2,456,537

Construction Commitments

As of June 30, 2014, the District had the following budgetary commitments with respect to the unfinished capital projects:

Project	Estimated Cost to Complete	Percent Complete	Estimated Completion
District - ADA Transition Plan	$ 339,938	94.66%	FY 14/15
District - Design Standards	9,969	97.19%	FY 14/15
District - IT Upgrade (Includes Audit)	3,678,909	37.00%	FY 14/15
District - Swing Space - Market Street Properties	379,009	56.26%	FY 15/16
District - Utility Infrastructure	1,165,292	83.55%	FY 14/15
Moreno Valley - Network Operations Center	2,815,617	6.89%	FY 14/15
Norco - Groundwater Monitoring Wells	368,217	31.09%	FY 15/16
Norco - Self Generation Incentive Program	584,694	81.20%	FY 14/15
Riverside City College Coil School for the Arts	20,643,060	46.35%	FY 15/16
Riverside City College Culinary Arts and District Office Building	25,686,751	22.48%	FY 15/16
Riverside City College Student Services Building	24,477,441	5.58%	FY 15/16
	$ 80,148,897		

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 fundings.

NOTE 17 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District's prior year beginning net position has been restated as of June 30, 2014.

Effective in fiscal year 2013-2014, the District was required to expense issuance costs associated with the General Obligation Bond debt, as well as amortize and present deferred charges on refunding as a deferred outflow of resources. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by $2,221,600.

Primary Government	
Net Position - Beginning	$ 218,945,064
Restatement of long-term debt premium for implementation of GASB Statement No. 65	(2,609,117)
Restatement of deferred outflow of resources for implementation of GASB Statement No. 65	2,027,899
Restatement of current and long-term cost of issuance assets for implementation of GASB Statement No. 65	(1,640,382)
Net Position - Beginning, as Restated	$ 216,723,464

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
July 1, 2007	$ -	$ 9,766,024	$ 9,766,024	0.00%	N/A	N/A
July 1, 2009	-	15,799,353	15,799,353	0.00%	N/A	N/A
July 1, 2011	-	24,642,278	24,642,278	0.00%	N/A	N/A
July 1, 2013	-	24,161,707	24,161,707	0.00%	N/A	N/A

SUPPLEMENTARY INFORMATION

RIVERSIDE COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION
JUNE 30, 2014

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
Virginia Blumenthal	President	December 2014
Janet Green	Vice President	December 2014
Nathan Miller	Secretary	December 2016
Samuel Davis	Member	December 2014
Mary Figueroa	Member	December 2016

DISTRICT ADMINISTRATION

Dr. Irving Hendrick	Interim Chancellor
Mr. Aaron Brown	Vice Chancellor, Business and Financial Services
Dr. Robin Steinbeck	Interim Vice Chancellor, Educational Services, Workforce Development and Planning
Ms. Sylvia Thomas	Interim Vice Chancellor, Diversity and Human Resources
Ms. Chris Carlson	Chief of Staff and Facilities Developmet

COLLEGE ADMINISTRATION

Dr. Wolde-Ab Isaac	Interim President, Riverside City College
Dr. Sandra Mayo	President, Moreno Valley College
Dr. Paul Parnell	President, Norco College

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Pass through from the Regents of the University of California, Riverside			
Building Bridges Across Riverside through Nano-Water Research	10.223	2010-38422-21220	$ 10,120
U.S. DEPARTMENT OF DEFENSE			
Procurement Assistance Center (PAC)	12.002		223,644
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership	16.607		2,268
U.S. DEPARTMENT OF LABOR			
WORKFORCE INVESTMENT ACT			
Pass through from California Family Life Center			
California Family Life Center - Rubidoux	17.259	[1]	11,749
@LIKE Career Pathways	17.283	[1]	3,634
Total U.S. Department of Labor			15,383
NATIONAL SCIENCE FOUNDATION			
National Center of Excellence for Logistics and Supply Chain Technology *	47.076		758,142
SMALL BUSINESS ADMINISTRATION			
Pass through from California State University, Fullerton			
Auxiliary Services Corporation			
Tri-Tech Small Business Development Center	59.037	SBAHQ-13-B-0046, SBAHQ-14-B-0048	341,025
Tri-Tech Small Business Jobs Act	59.037	1-603001-Z-0111	85,765
Pass through from California Community Colleges Chancellor's Office			
CA State Trade Export	59.061	SBAHQ-12-IT-0053	77,853
Total Small Business Administration			504,643
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Veteran Outreach Program - Administration	64.000		7,839
U.S. DEPARTMENT OF EDUCATION			
TRIO Cluster:			
Student Support Services Program	84.042A		816,950
Upward Bound Program	84.047A		978,993
Upward Bound Program - Math and Science	84.047M		228,160
Subtotal TRIO Cluster			2,024,103
Student Financial Assistance Cluster:			
Federal Supplement Education Opportunity Grant (FSEOG)	84.007		924,263
FSEOG Administrative	84.007		60,962
Federal Direct Student Loans (Direct Loans)	84.268		3,983,762
Federal Work Study Program (FWS)	84.033		965,407
Federal Work Study Administrative	84.033		59,028
Federal Pell Grants (PELL)	84.063		41,930,429
Subtotal Student Financial Assistance Cluster			47,923,851

[1] Pass-Through Identifying Number not available.
* Research and Development Grant

(Continued)

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures
HIGHER EDUCATION ACT			
Title V - Transdisciplinary Cooperation for Academic and Career Success	84.031S		$ 817,514
Title V - HIS Pathways to Excellence	84.031S		879,306
Title V - Higher Education Institutional Aid	84.031S		437,499
Title V - Answering the Call	84.031S		487,353
Title V - HIS Stem and Articulation	84.031C		1,654,148
MVC Technology Access Project	84.031C		1,322,571
Subtotal Higher Education - Institutional Aid			5,598,391
CAREER AND TECHNICAL EDUCATION ACT			
Passed through from California Community Colleges Chancellor's Office			
Career and Technical Education, Title I-B Regional Consortia Desert	84.048	[1]	210,799
Career and Technical Education, Title I-C	84.048	13-C01-45	1,065,779
Career and Technical Education Transitions	84.048	13-112-960	104,767
REHABILITATION ACT			
Pass through from California Department of Rehabilitation (DOR)			
Workability	84.126A	[1]	252,225
Total U.S. Department of Education			57,179,915
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Nurse Education, Practice, and Retention	93.359		57,766
Pass through from California Community Colleges Chancellor's Office			
Temporary Assistance to Needy Families (TANF)	93.558	[1]	166,487
Foster and Kinship Care Education Program (FKCE)	93.658	[1]	47,427
Pass through from Yosemite Community College District			
Early Childhood Study - Consortium Grant	93.575	[1]	18,750
Pass through from Riverside County Superintendent of Schools			
Independent Living Skills - Emancipation Services	93.674	[1]	93,203
AFFORDABLE CARE ACT			
Expansion of Physical Assistant Training Program	93.514		325,329
Total U.S. Department of Health and Human Services			708,962
DEPARTMENT OF HOMELAND SECURITY			
Pass through from the City of Riverside Office of Emergency Management			
Riverside Urban Area Security Initiative (Public Assistance Grants)	97.008	2010-0085	2,420
Total Expenditures of Federal Awards			$ 59,413,336

[1] Pass-Through Identifying Number not available.

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Program	Program Entitlements Current Year	Prior Year	Total Entitlement
GENERAL FUND			
Board Financial Assistance Program (BFAP)	$ 383,858	$ -	$ 383,858
Part Time Faculty Insurance	7,794	-	7,794
Part Time Faculty Office Hours	54,268	-	54,268
PT Faculty Compensation	568,878	-	568,878
Educational Protection Act	17,185,121	-	17,185,121
Homeowner Property Tax Relief (includes SBC)	480,000	-	480,000
State Tax Subventions	-	-	-
State Lottery	3,125,000		3,125,000
State Mandated Costs	703,406	-	703,406
Basic Skills/ESL 2013-2014	401,744	-	401,744
Basic Skills/ESL 2011-2012	-	37,586	37,586
Basic Skills/ESL 2012-2013	-	186,810	186,810
Enrollment Growth and Retention ADN-RN 13-14	346,400	-	346,400
Ext Opp Prog and Serv - EOPS	1,456,326	-	1,456,326
CARE	135,309	-	135,309
Board Financial Assist Prog	1,330,560	-	1,330,560
Instructional Equipment	313,554	-	313,554
Matriculation Grant	1,760,090	-	1,760,090
Staff Development	-	4,187	4,187
AB 86 Adult Education Consortium Planning	435,294	-	435,294
Foster Care Education Program	68,813	-	68,813
Staff Diversity	10,598	14,751	25,349
Disbld Stdt Prog and Serv - DSPS	2,205,842	-	2,205,842
Sector Navigator: Global Trade and Logistics	372,500	-	372,500
Sector Navigator: Global Trade and Logistics	300,000	-	300,000
Faculty Entrepreneurship Project 11-12	-	767	767
Youth Entrepreneurship Program 11-12	-	87	87
First 5 Riverside Access and Quality Initiative	156,970	797	157,767
Song Brown RN 13-15	200,000	-	200,000
Song Brown RN Special Program 13-15	68,009	-	68,009
Enrollment Growth and Retention ADN-RN 11-12	-	24,804	24,804
Enrollment Growth and Retention ADN-RN 12-13	-	287,330	287,330
Upward Bound Math and Science Vista Del Lago	4,078	-	4,078
CTE Community Collaborative Pathways Initiative 11-12	-	230,263	230,263
CTE Community Collaborative Pathways Initiative 12-14	-	337,931	337,931
Song Brown PA Base Funding	119,977	-	119,977

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
$ 844,388	$ -	$ -	$ -	$ 844,388	$ 844,388
7,795	-	-	-	7,795	7,795
54,268	-	-	-	54,268	54,268
568,878	-	-	-	568,878	568,878
19,627,064	38,175	-	-	19,665,239	19,665,239
450,433	-	-	-	450,433	450,433
589	688	-	-	1,277	1,277
2,480,290	551,706	-	-	3,031,996	3,031,996
703,405	-	-	-	703,405	703,405
458,434	-	-	(292,228)	166,206	166,206
37,586	-	-	-	37,586	37,586
257,364	-	-	(77,564)	179,800	179,800
290,976	-	-	(48,776)	242,200	242,200
1,456,326	-	(11,231)	-	1,445,095	1,445,095
134,900	409	(444)	-	134,865	134,865
1,330,560	-	(2,007)	-	1,328,553	1,328,553
313,550	-	-	(71,385)	242,165	242,165
1,760,090	-	-	(161,763)	1,598,327	1,598,327
4,187	-	-	(3,214)	973	973
217,647	-	-	(167,888)	49,759	49,759
39,698	43,402	-	-	83,100	83,100
25,349	-	-	(6,965)	18,384	18,384
2,205,842	-	-	-	2,205,842	2,205,842
149,000	161,353	-	-	310,353	310,353
120,000	1,614	-	-	121,614	121,614
766	-	-	-	766	766
87	-	-	(6)	81	81
131,757	-	-	(15,559)	116,198	116,198
49,980	26,803	-	-	76,783	76,783
11,791	33,080	-	-	44,871	44,871
24,804	-	-	-	24,804	24,804
287,329	-	-	-	287,329	287,329
4,078	-	-	-	4,078	4,078
189,128	39,447	-	-	228,575	228,575
280,622	-	-	(152,701)	127,921	127,921
5,910	32,197	-	-	38,107	38,107

(Continued)

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

	Program Entitlements		
Program	Current Year	Prior Year	Total Entitlement
GENERAL FUND, Continued			
Responsive Training Fund 12-13	$ -	$ 164,696	$ 164,696
Student Financial Assistance Program - Fiscal Coordination	-	438,329	438,329
Student Financial Assistance Program - Fiscal Coordination 13-14	460,530	-	460,530
Improving Patient Outcomes	15,000	-	15,000
California Community Colleges Student Mental Health Program	108,845	40,114	148,959
CalWORKs Community College Set-Aside	-	66,622	66,622
CalWORKs	784,905	-	784,905
Faculty Entrepreneurship Champion Mini grant	-	4,200	4,200
State Lottery	821,836	-	821,836
CHILD DEVELOPMENT FUND			
Campus Child Care Tax Bailout	70,348	-	70,348
STUDENT FINANCIAL AID FUND			
Cal Grant B and C	1,917,849	-	1,917,849
Total State Programs			

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
$ 82,994	$ 34,747	$ -	$ -	$ 117,741	$ 117,741
438,329	-	-	(235,362)	202,967	202,967
-	12,129	-	-	12,129	12,129
-	11,400	-	-	11,400	11,400
74,491	66,320	-	-	140,811	140,811
66,622	-	(30,322)	-	36,300	36,300
784,905	-	(15,628)	-	769,277	769,277
-	4,200	-	-	4,200	4,200
444,296	465,216	-	(14,756)	894,756	894,756
70,348	-	-	-	70,348	70,348
1,955,120	-	(35,924)	-	1,919,196	1,919,196
$ 38,441,976	$ 1,522,886	$ (95,556)	$ (1,248,167)	$ 38,621,139	$ 38,621,139

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2014

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2013 only)			
1. Noncredit	24	-	24
2. Credit	1,515	-	1,515
B. Summer Intersession (Summer 2014 - Prior to July 1, 2014)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	16,607	-	16,607
(b) Daily Census Contact Hours	1,852	-	1,852
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	136	-	136
(b) Credit	2,885	-	2,885
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Contact Hours	2,126	-	2,126
(b) Daily Census Contact Hours	1,255	-	1,255
D. Total FTES	26,400	-	26,400
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	365	-	365
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	102	-	102
2. Credit	2,559	-	2,559

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, 2014

		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	$ 26,630,742	$ -	$ 26,630,742	$ 26,630,742	$ -	$ 26,630,742
Other	1300	24,422,161	-	24,422,161	24,422,161	-	24,422,161
Total Instructional Salaries		51,052,903	-	51,052,903	51,052,903	-	51,052,903
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	11,087,725	-	11,087,725
Other	1400	-	-	-	1,376,819	-	1,376,819
Total Noninstructional Salaries		-	-	-	12,464,544	-	12,464,544
Total Academic Salaries		51,052,903	-	51,052,903	63,517,447	-	63,517,447
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	23,405,914	-	23,405,914
Other	2300	-	-	-	1,041,930	-	1,041,930
Total Noninstructional Salaries		-	-	-	24,447,844	-	24,447,844
Instructional Aides							
Regular Status	2200	1,949,279	-	1,949,279	1,949,279	-	1,949,279
Other	2400	373,255	-	373,255	373,255	-	373,255
Total Instructional Aides		2,322,534	-	2,322,534	2,322,534	-	2,322,534
Total Classified Salaries		2,322,534	-	2,322,534	26,770,378	-	26,770,378
Employee Benefits	3000	12,048,250	-	12,048,250	28,793,209	-	28,793,209
Supplies and Material	4000	-	-	-	1,497,614	-	1,497,614
Other Operating Expenses	5000	-	-	-	11,978,551	-	11,978,551
Equipment Replacement	6420	-	-	-	1,414	-	1,414
Total Expenditures Prior to Exclusions		65,423,687	-	65,423,687	132,558,613	-	132,558,613

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, 2014

		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	$ -	$ -	$ -	$ 1,382,227	$ -	$ 1,382,227
Student Health Services Above Amount Collected	6441	-	-	-	21,712	-	21,712
Student Transportation	6491	-	-	-	55	-	55
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,069,917	-	1,069,917
Objects to Exclude							
Rents and Leases	5060	-	-	-	1,116,330	-	1,116,330
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	2,798,920	-	2,798,920
Employee Benefits	3000	-	-	-	233,076	-	233,076
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, 2014

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6400	-	-	-	-	-	-
Equipment - Replacement	6410	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	6,622,237	-	6,622,237
Total for ECS 84362, 50 Percent Law		$ 65,423,687	$ -	$ 65,423,687	$125,936,376	$ -	$125,936,376
Percent of CEE (Instructional Salary Cost/Total CEE)		51.95%		51.95%	100.00%		100.00%
50% of Current Expense of Education					$ 62,968,188		$ 62,968,188

See accompanying note to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2014.

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACT (EPA) EXPENDITURE REPORT FOR THE YEAR ENDED JUNE 30, 2014

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 19,665,239
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 19,665,239			$ 19,665,239
Total Expenditures for EPA		$ 19,665,239	-	-	$ 19,665,239
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, 2014

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance and Retained Earnings:		
General Funds	$ 22,322,370	
Special Revenue Funds	888,600	
Capital Outlay Projects	47,378,289	
Debt Service Funds	11,566,842	
Proprietary Fund	4,295,536	
Fiduciary Funds	1,042,044	
Total Fund Balances and Retained Earnings - All District Funds		**$ 87,493,681**
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:	504,372,594	
Accumulated depreciation is:	(121,617,676)	382,754,918
Amounts held in trust on behalf of others (Trust and Agency Funds)		(1,007,392)
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.		(3,927,372)
Governmental funds report deferred cost of refunding associated with the issuance of debt when first issued, whereas the amounts are deferred and amortized in the Statements of Activities.		
Deferred charge on refunding at year end amounted to:		8,121,806
Long-term obligations at year end consist of:		
Bonds payable	248,640,821	
Capital leases payable	118,547	
Compensated absences	2,450,171	
Load banking	698,837	
Supplementary retirement plan (SRP)	2,130,916	
Other postemployment benefits (OPEB)	7,844,898	
Less compensated absences already recorded in funds	(1,246,628)	(260,637,562)
Total Net Position		**$ 212,798,079**

See accompanying note to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2014

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

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

Schedule of Expenditures of Federal Awards

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

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

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Position:		$ 61,721,576
Build America Bonds	N/A	(2,308,240)
Total Expenditures of Federal Awards		$ 59,413,336

Subrecipients

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

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Amount Provided to Subrecipients
National Center of Excellence for Logistics and Supply Chain Technology	47.076	$ 145,134
Title V - Transdisciplinary Cooperation for Academic and Career Success	84.031S	311,456
Total Pass-Through		$ 456,590

RIVERSIDE COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2014

Schedule of Expenditures of State Awards

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

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

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

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

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

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

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

Proposition 30 Education Protection Act (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

INDEPENDENT AUDITOR'S REPORTS

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

Board of Trustees
Riverside Community College District
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the business-type activities of Riverside Community College District (the District) as of and for the years ended June 30, 2014 and 2013, 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 24, 2014.

Emphasis of Matter - Change in Accounting Principles

As discussed in the Note 17 to the financial statements, the District has elected to change its method of accounting for cost of debt issuance as prescribed by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

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

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

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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 audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated November 24, 2014.

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 24, 2014

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

Board of Trustees
Riverside Community College District
Riverside, California

Report on Compliance for Each Major Federal Program

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP.

Riverside, California
November 24, 2014

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 California Community Colleges Chancellor's Office *District Audit Manual* issued in December 2013 that could have a direct and material effect on each of the District's programs as noted below for the year ended June 30, 2014.

Management's Responsibility

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

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 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 opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion for Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2014.

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

Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Concurrent Enrollment of K-12 Students in Community College Credit Courses
Section 430	Schedule Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 438	Student Fees – Health Fees and Use of Health Fee Funds
Section 439	Proposition 39 Clean Energy
Section 474	Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged (TBA) Hours
Section 490	Proposition 1D State Bond Funded Projects
Section 491	Proposition 30 Education Protection Account Funds

Vavrinek, Trine, Day & Co., LLP.

Riverside, California
November 24, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2014

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 .510(a) of OMB Circular A-133?	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
84.048	Career and Technical Education, Title I-B Regional Consortia Desert; Career and Technical Education, Title I-C, Career and Technical Education Transitions

Dollar threshold used to distinguish between Type A and Type B programs:	$ 344,685
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, 2014

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

None reported.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

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

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

We have audited the financial statements of the governmental activities and the business-type activities of Riverside Community College District (the District) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. As described in Note 2 and Note 17 to the financial statements, the District changes accounting practices related to the recognition of issuance costs in relation to long term debt by adopting Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2014. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statements of Revenues, Expenses, and Changes in Net Position - Primary Government. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

Difficulties Encountered in Performing the Audit

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

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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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 24, 2014.

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 issued a management letter which provides suggestions for improvements in internal control.

<u>Other Matters</u>

We applied certain limited procedures to the Schedule of Other Postemployment Benefits (OPEB) Funding Progress schedule, which is required supplementary information (RSI) that 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.

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 use of 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 24, 2014

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, 2014, 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 24, 2014, on the government-wide financial statements of the District.

Competitive Bidding

During our testing over the District's competitive bidding process, we noted an instance at Norco College (the College) where the College administration permitted the contractor to start and complete the project prior to the District issuing an executed copy of the Contract, Notice to Proceed Letter, and Purchase Order. The District issued the Notice of Award letter, along with the contract documents for the "Norco College Joint Sealant" project (Bid# 2013/2014-11-UCCAP) on February 5, 2014. The award letter explicitly stated "no work may commence until all required documents are returned and a Notice to Proceed Letter is issued by the District". A delay in issuing the Notice to Proceed Letter occurred while the District resolved a question related to labor compliance monitoring.

In addition to violating regulations set forth by the California Uniform Public Construction Cost Accounting Act (CUPCCAA) and Board Policies 6340 and 6345, it could have exposed the District to legal and financial liabilities as this work was not properly authorized to proceed prior to the start of the work.

Recommendation

We recommend that the College follow established District bidding and procurement procedures and regulations under CUPCCAA for public works/construction projects. Failure to follow these procedures and regulations may result in potential legal and financial liabilities to the District.

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 24, 2014

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

The Riverside Community College District will execute a Continuing Disclosure Certificate in substantially the following form in connection with the issuance of the Bonds (as defined below).

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 $45,004,145.30 of the District's Election of 2004 General Obligation Bonds, Series 2015E (the "Series 2015E Bonds") and $43,920,000 of the District's 2015 General Obligation Refunding Bonds (the "Refunding Bonds," and together with the Series 2015E Bonds, the "Bonds"). The Series 2015E Bonds are being issued pursuant to a resolution of the District Board of Trustees dated May 5, 2015 and a resolution of the Riverside County Board of Supervisors dated May 19, 2015. The Refunding Bonds are being issued pursuant to resolutions of the District Board of Trustees dated March 18, 2014 and May 5, 2015. 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 Resolution, 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 Keygent LLC, 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.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Certificate.

"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 2014-15 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(c).

(b) Not later than thirty (30) days (nor more than sixty (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 fifteen (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 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 and listing all the Repository to which 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) FTES 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 real property located within the District for the current fiscal year; and

(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. <u>Reporting of Significant Events</u>.

(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. 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)(9), 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, 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 trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(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(c) 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 fifteen (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: July 1, 2015

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 2015E; 2015 General Obligation Refunding Bonds

Date of Issuance: July 1, 2015

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 following information regarding the City of Riverside and Riverside County is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of either the City of Riverside or Riverside County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

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 is governed by a mayor and a city council made up of seven members. 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 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.

Population

The following table shows historical population figures for the City, the County and the State from 2001 through 2015.

POPULATION ESTIMATES
2001 through 2015
City of Riverside, Riverside County and State of California

	City of Riverside		Riverside County		State of California	
Year[1]	Population	% Change	Population	% Change	Population	% Change
2001	261,464	--	1,589,708	--	34,256,789	--
2002	269,746	3.2%	1,655,291	4.1%	34,725,516	1.4%
2003	275,867	2.3	1,730,219	4.5	35,163,609	1.3
2004	279,829	1.4	1,814,485	4.9	35,570,847	1.2
2005	284,715	1.7	1,895,695	4.5	35,869,173	0.8
2006	286,720	0.7	1,975,913	4.2	36,116,202	0.7
2007	289,674	1.0	2,049,902	3.7	36,399,676	0.8
2008	293,988	1.5	2,102,741	2.6	36,704,375	0.8
2009	298,721	1.6	2,140,626	1.8	36,966,713	0.7
2010[2]	303,871	1.7	2,189,641	2.3	37,253,956	0.8
2011	306,069	0.7	2,205,731	0.7	37,427,946	0.5
2012	309,409	1.1	2,234,209	1.3	37,668,804	0.6
2013	312,035	0.8	2,255,653	1.0	37,984,138	0.8
2014	314,221	0.7	2,280,191	1.1	38,357,121	1.0
2015	317,307	1.0	2,308,441	1.2	38,714,725	0.9

(1) January 1 data.
(2) April 1 data.
Source: California Department of Finance.

Personal Income

The following table shows per capita personal income for the County, the State and the United States from 2004 through 2013.

PER CAPITA PERSONAL INCOME[1]
2004 through 2013
Riverside County, State of California and United States

Year	Riverside County	State of California	United States
2004	$27,801	$37,156	$34,300
2005	28,933	38,964	35,888
2006	30,368	41,623	38,127
2007	30,934	43,152	39,804
2008	30,876	43,608	40,873
2009	29,651	41,587	39,379
2010	29,612	42,282	40,144
2011	31,196	44,749	42,332
2012	32,534	47,505	44,200
2013	33,278	48,434	44,765

(1) 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 and the State from 2010 through 2014.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE
2010 through 2014[(1)]
Riverside County and State of California

Year and Area	Labor Force	Employment[(2)]	Unemployment[(3)]	Unemployment Rate (%)
2010				
City of Riverside	165,100	140,900	24,200	14.6%
Riverside County	938,400	802,300	136,200	14.5
State of California	18,336,300	16,068,400	2,267,900	12.4
2011				
City of Riverside	165,300	142,400	22,900	13.9%
Riverside County	939,600	810,400	129,200	13.8
State of California	18,417,900	16,249,600	2,168,300	11.8
2012				
City of Riverside	166,100	145,600	20,500	12.3%
Riverside County	944,500	828,800	115,600	12.3
State of California	18,519,000	16,589,700	1,929,300	10.4
2013				
City of Riverside	167,600	150,300	17,400	10.4%
Riverside County	953,200	855,300	97,900	10.3
State of California	18,596,800	16,933,300	1,663,500	8.9
2014				
City of Riverside	146,500	135,000	11,500	7.9%
Riverside County	1,011,500	928,200	83,400	8.2
State of California	18,811,500	17,397,140	1,430,973	8.9

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 2014 Benchmark.

Industry

The following table summarizes the average annual industry employment in the County from 2010 through 2014.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES
2010 through 2014
Riverside County

Type of Employment	2010	2011	2012	2013	2014
Total Farm	15,000	14,900	15,000	14,500	14,300
Mining and Logging	1,000	1,000	1,200	1,200	1,300
Construction	59,700	59,100	62,600	70,000	77,000
Manufacturing	85,200	85,100	86,700	87,300	90,200
Transportation, Warehousing and Utilities	66,600	68,800	73,900	79,400	87,300
Wholesale Trade	48,700	49,200	52,200	56,400	59,000
Retail Trade	155,500	158,500	162,400	164,800	168,700
Information	14,000	12,200	11,700	11,500	11,200
Financial Activities	41,000	39,900	40,900	42,200	42,700
Professional and Business Services	123,600	126,000	127,500	132,400	137,800
Educational and Health Services	154,100	157,600	167,200	184,500	193,600
Leisure and Hospitality	122,800	124,000	129,400	135,900	144,300
Other Services	38,200	39,100	40,100	41,100	43,200
Government	234,300	227,500	224,600	225,200	228,800
Total All Industries	1,159,700	1,162,900	1,195,300	1,246,400	1,299,500

Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2014 Benchmark.

Principal Employers

The following tables list the principal employers located in the City and the County.

PRINCIPAL EMPLOYERS
As of June 30, 2014
City of Riverside

Employer Name	Employees	Percentage of Total City Employment
County of Riverside	11,187	7.6%
University of California, Riverside	7,218	4.9
Riverside Unified School District	3,461	2.4
Kaiser	3,156	2.1
City of Riverside	2,476	1.7
Riverside Community Hospital	1,880	1.3
Riverside County Office of Education	1,765	1.2
Alvord Unified School District	1,445	1.0
Parkview Community Hospital	1,350	0.9
Riverside Community College District	1,064	0.7

Source: "Comprehensive Annual Financial Report" of the City of Riverside, California for the fiscal year July 1, 2013 through June 30, 2014.

PRINCIPAL EMPLOYERS
As of June 30, 2014
Riverside County

Employer Name	Employees	Percentage of Total County Employment
County of Riverside	19,916	2.30%
March Air Reserve Base	8,500	0.98
Stater Bros. Markets	6,900	0.80
University of California, Riverside	5,514	0.64
Kaiser Permanente Riverside Med. Center	5,270	0.61
Pechanga Resort & Casino	4,500	0.52
Corona-Norco Unified School District	4,300	0.50
Walmart	4,068	0.47
Riverside Unified School District	4,000	0.46
Hemet Unified School District	3,572	0.41

Source: "Comprehensive Annual Financial Report" of Riverside County, California for the fiscal year July 1, 2013 through June 30, 2014.

Commercial Activity

Summaries of annual taxable sales for the City and the County from 2009 through 2013 are shown in the following tables.

ANNUAL TAXABLE SALES
2009 through 2013
City of Riverside
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2009	5,033	$2,734,550	7,202	$3,500,514
2010	5,690	2,889,292	7,907	3,692,302
2011	5,764	3,144,537	8,066	4,019,127
2012	6,196	3,348,220	8,484	4,238,975
2013	5,436	3,580,926	7,673	4,612,948

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2009 through 2013
Riverside County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2009	29,829	$16,057,488	42,765	$22,227,877
2010	32,534	16,919,500	45,688	23,152,780
2011	33,398	18,576,285	46,886	25,641,497
2012	34,683	20,016,668	48,316	28,096,009
2013	33,391	21,306,774	46,805	30,065,467

Note: In 2009, retail permits expanded to include permits for food services.
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 2010 through 2014 for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2010 through 2014
City of Riverside
(Dollars in Thousands)

	2010	2011	2012	2013	2014
Valuation					
Residential	$58,764	$35,440	$73,345	$30,646	$80,367
Non-Residential	87,269	98,400	53,007	115,561	70,046
Total	$146,033	$133,840	$126,352	$146,207	$150,413
Units					
Single Family	107	43	193	70	230
Multiple Family	266	236	168	51	85
Total	373	279	361	121	315

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2010 through 2014
Riverside County
(Dollars in Thousands)

	2010	2011	2012	2013	2014
Valuation					
Residential	$1,079,637	$760,240	$1,079,405	$1,375,593	$1,621,751
Non-Residential	539,379	679,117	657,595	873,977	814,990
Total	$1,619,016	$1,439,357	$1,737,000	$2,249,570	$2,436,741
Units					
Single Family	4,031	2,659	3,720	4,716	5,007
Multiple Family	526	1,061	909	1,427	1,931
Total	4,557	3,720	4,629	6,143	6,938

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

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APPENDIX E

RIVERSIDE COUNTY POOLED INVESTMENT FUND

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 or the Underwriter. The District 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, neither the District nor 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.

County of Riverside

April 2015

Treasurer's Pooled Investment Fund

Capital Markets Team

Don Kent
Treasurer-Tax Collector

Jon Christensen
Asst. Treasurer-Tax Collector

Giovane Pizano
Investment Manager

Isela Licea
Asst. Investment Manager

Investment Objectives

*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 achieve a **return on the funds** under his or her control.*

COUNTY OF RIVERSIDE TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED: Aaa-bf BY MOODY'S INVESTOR'S SERVICE AND AAA/V1 BY FITCH RATINGS

	Month End Market Value ($)*	Month End Book Value ($)	Paper Gain or Loss ($)	Paper Gain or Loss (%)	Book Yield (%)	Yrs to Maturity	Modified Duration
April	6,834,465,478.09	6,833,283,754.08	1,181,724.01	0.02	0.40	1.04	1.02
March	5,730,402,540.40	5,728,600,174.74	1,802,365.66	0.03	0.46	1.25	1.22
February	5,517,030,770.65	5,517,608,884.48	(578,113.83)	(0.01)	0.48	1.35	1.32
January	5,536,152,467.50	5,532,205,553.13	3,946,914.37	0.07	0.44	1.26	1.23
December	5,895,845,894.96	5,899,853,397.68	(4,007,502.72)	(0.07)	0.43	1.24	1.21
November	4,813,034,831.17	4,811,717,725.40	1,317,105.77	0.03	0.46	1.42	1.39

The Treasurer's Pooled Investment Fund is comprised of the ***County, Schools, Special Districts,*** *and other* ***Discretionary Depositors***.

Current Market Data

Economic Indicators

Release Date	Indicator	Consensus	Actual
04/03/2015	**Non-Farm Payrolls M/M change:** Counts the number of paid employees working part-time or full-time in the nation's business and government establishments.	245,000	**126,000**
04/03/2016	**Employment Situation:** Measures the number of unemployed as a percentage of the labor force.	5.5%	**5.5%**
04/24/2015	**Durable Goods Orders - M/M change:** Reflects the new orders placed with domestic manufacturers for immediate and future delivery of factory hard goods.	0.5%	**4.0%**
04/29/2015	**Real Gross Domestic Product - Q/Q change:** The broadest measure of aggregate economic activity and encompasses every sector of the economy. GDP is the country's most comprehensive economic scorecard.	1.0%	**0.2%**
04/28/2015	**Consumer Confidence:** Measures consumer attitudes on present economic conditions and expectations of future conditions.	103.0	**95.2**
04/02/2015	**Factory Orders M/M change:** Represents the dollar level of new orders for both durable and nondurable goods.	0.0%	**0.2%**
04/17/2015	**Consumer Price Index - M/M change:** The Consumer Price Index is a measure of the average price level of a fixed basket of goods and services purchased by consumers.	0.2%	**0.2%**

Stock Indices

		Value		Change
Dow Jones (DJIA)	$	17,840.52	$	64.40
S&P 500 Index	$	2,085.51	$	17.62
NASDAQ (NDX)	$	4,414.25	$	80.57

Commodities

		Value		Change
Nymex Crude	$	53.15	$	5.55
Gold (USD/OZ)	$	1,184.37	$	0.69

Fed Funds Target Rate

Current Fed Funds Rate: 0-0.25%		
	Probability for FOMC Dates:	
Fed Move	06/17/2015	07/29/2015
Decrease to 0.00%	42.0%	36.9%
Increase to 0.25%	58.0%	56.1%
Increase to 0.50%	0.0%	7.0%
Increase to 0.75%	0.0%	0.0%
Increase to 1%	0.0%	0.0%

FOMC Meeting Schedule

Release	%	Risk Assessment
18-Mar	0-.25%	Growth
29-Apr	0-.25%	Growth

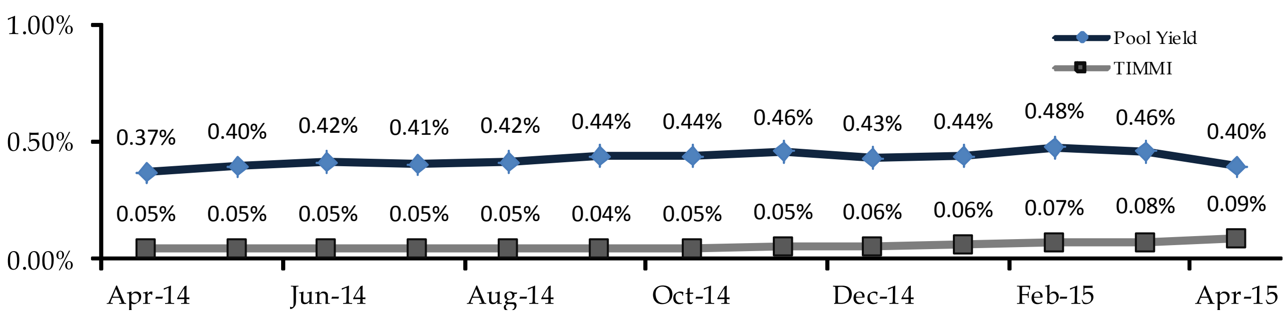
US Treasury Curve (M/M)

Curve ID	3M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
I25 04/30/15	0.003	0.227	0.569	0.902	1.426	1.792	2.033	2.741
I25 03/31/15	0.023	0.232	0.557	0.880	1.371	1.708	1.924	2.537
I25 (04/30/15-03/31/15)	-2.0	-0.5	1.2	2.1	5.5	8.3	10.9	20.5

TIMMI

The Treasurer's Institutional Money Market Index (TIMMI) is compiled and reported by the Riverside County Treasurer's Capital Markets division. It is a composite index derived from four AAA rated prime institutional money market funds. Similar to the Treasurer's Office, prime money market funds invest in a diversified portfolio of U.S. dollar denominated money market instruments including U.S. Treasuries, government agencies, commercial paper, certificates of deposits, repurchase agreements, etc. TIMMI is currently comprised of the five multi billion dollar funds listed below.

AAA Rated Prime Institutional Money-Market Funds		
Fund	Symbol	7 Day Yield
Fidelity Prime Institutional MMF	FIPXX	0.11%
Federated Prime Obligations Fund	POIXX	0.06%
Wells Fargo Advantage Heritage	WFJXX	0.11%
Morgan Stanley Institutional Prime Liquidity Fund	MPFXX	0.08%
JP Morgan	CJPXX	0.08%



Cash Flows

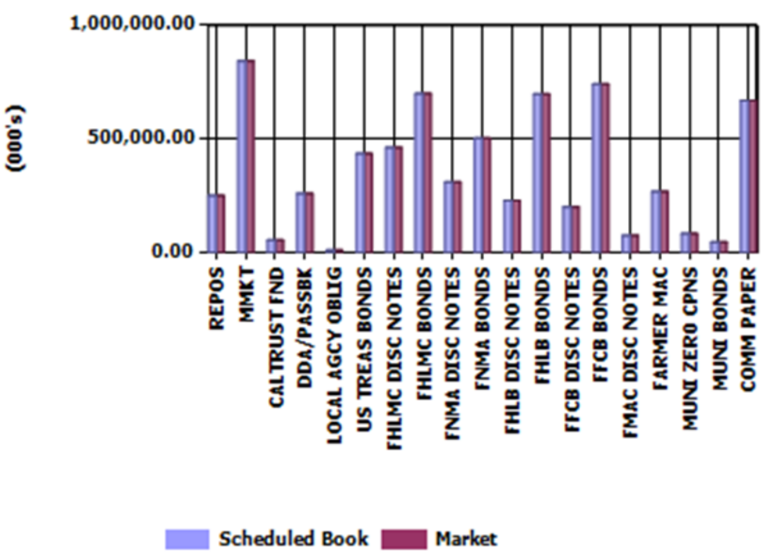
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
05/2015					250.78		
05/2015	520.00	1,185.89	(665.89)	415.11	-	1,955.63	
06/2015	750.00	1,220.61	(470.61)	470.61	-	493.37	
07/2015	1,100.00	1,050.00	50.00		50.00	222.06	
08/2015	725.00	850.00	(125.00)	75.00	-	347.34	
09/2015	800.00	1,000.00	(200.00)	200.00	-	295.00	
10/2015	975.00	1,150.00	(175.00)	175.00	-	330.51	
11/2015	1,150.00	900.00	250.00		250.00	50.00	
12/2015	1,900.00	975.00	925.00		1,175.00	100.00	
01/2016	901.94	1,593.66	(691.72)		483.28	490.07	
02/2016	875.00	1,000.00	(125.00)		358.28	351.05	
03/2016	1,100.00	970.00	130.00		488.28	80.00	
04/2016	1,611.36	970.00	641.36		1,129.64	10.00	
TOTALS	12,408.30	12,865.16	(456.86)	1,335.72	4,185.26	4,725.03	5,497.56
				19.55%		69.15%	80.45%

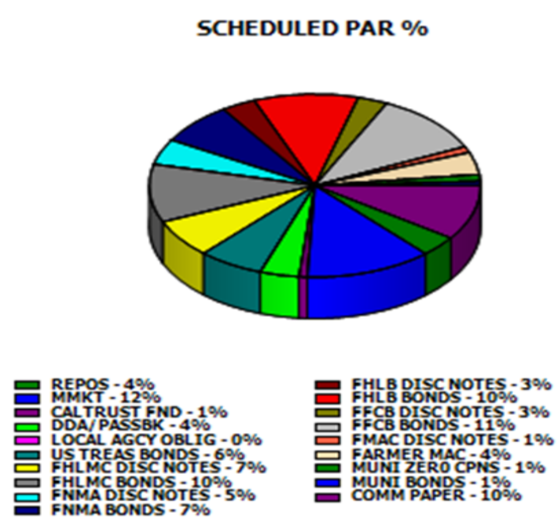
* All values reported in millions ($).

The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. Based upon projected cash receipts and maturing investments, there are sufficient funds to meet future cash flow disbursements over the next 12 months.

Asset Allocation

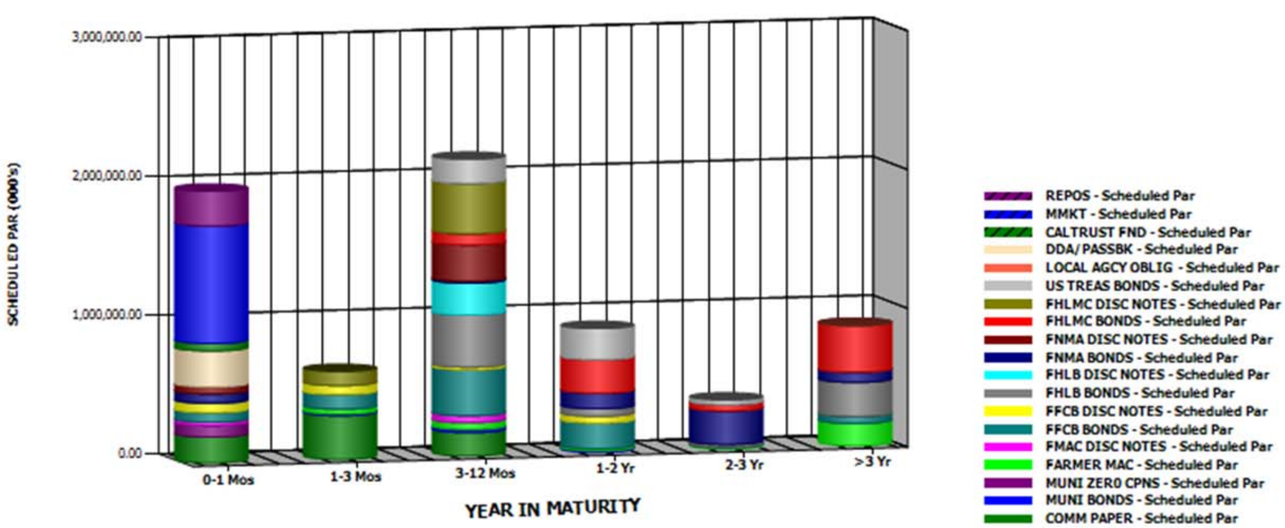
Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
REPOS	250,000.00	250,000.00	250,000.00	100.00%	0.11%	.003	.003
MMKT	845,000.00	845,000.00	845,000.00	100.00%	0.09%	.003	.003
CALTRUST FND	54,000.00	54,000.00	54,000.00	100.00%	0.44%	.003	.003
DDA/PASSBK	260,000.00	260,000.00	260,000.00	100.00%	0.08%	.003	.003
LOCAL AGCY OBLIG	395.00	395.00	395.00	100.00%	0.96%	5.132	5.132
US TREAS BONDS	435,000.00	435,092.58	435,390.95	100.07%	0.36%	1.046	1.046
FHLMC DISC NOTES	463,571.00	463,117.07	463,313.81	100.04%	0.15%	.434	.434
FHLMC BONDS	700,673.00	700,777.60	701,014.53	100.03%	1.08%	1.557	2.922
FNMA DISC NOTES	311,000.00	310,735.36	310,850.86	100.04%	0.14%	.384	.384
FNMA BONDS	503,674.00	503,813.28	503,583.45	99.95%	0.75%	2.012	2.198
FHLB DISC NOTES	228,652.00	228,421.46	228,523.76	100.04%	0.16%	.433	.433
FHLB BONDS	699,070.71	699,010.21	699,139.72	100.02%	0.70%	1.358	1.921
FFCB DISC NOTES	200,061.00	199,954.42	200,029.34	100.04%	0.09%	.406	.406
FFCB BONDS	741,766.00	741,810.77	741,722.32	99.99%	0.28%	.902	.902
FMAC DISC NOTES	75,000.00	74,853.48	74,942.75	100.12%	0.22%	.461	.461
FARMER MAC	268,850.00	268,837.00	268,922.65	100.03%	1.16%	.383	3.111
MUNI ZER0 CPNS	82,480.00	82,440.06	82,477.77	100.05%	0.15%	.021	.021
MUNI BONDS	44,855.00	44,845.77	44,845.77	100.00%	0.31%	.475	.475
COMM PAPER	670,500.00	670,179.71	670,312.80	100.02%	0.15%	.152	.152
Totals (000's):	**6,834,547.71**	**6,833,283.75**	**6,834,465.48**	**100.02%**	**0.40%**	**.724**	**1.042**





Maturity Distribution

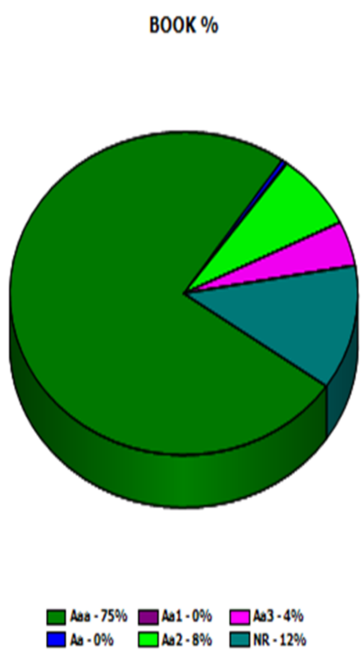
Scheduled Par (000's)	0-1 Mos	1-3 Mos	3-12 Mos	1-2 Yr	2-3 Yr	>3 Yr	Totals (000's)
REPO	250,000.00	-	-	-	-	-	250,000.00
MMKT	845,000.00	-	-	-	-	-	845,000.00
CALTRUST FND	54,000.00	-	-	-	-	-	54,000.00
DDA/PASSBK	260,000.00	-	-	-	-	-	260,000.00
LOCAL AGCY	-	-	-	-	-	395.00	395.00
US TREAS BONDS	-	-	175,000.00	225,000.00	35,000.00	-	435,000.00
FHLMC DISC	-	101,571.00	362,000.00	-	-	-	463,571.00
FHLMC BONDS	-	-	80,000.00	240,496.00	44,500.00	335,677.00	700,673.00
FNMA DISC NOTES	50,000.00	-	261,000.00	-	-	-	311,000.00
FNMA BONDS	65,000.00	-	15,000.00	111,887.00	240,062.00	71,725.00	503,674.00
FHLB DISC NOTES	-	-	228,652.00	-	-	-	228,652.00
FHLB BONDS	5,000.00	-	374,500.00	53,785.71	20,000.00	245,785.00	699,070.71
FFCB DISC NOTES	65,000.00	65,061.00	20,000.00	50,000.00	-	-	200,061.00
FFCB BONDS	68,150.00	105,000.00	329,320.00	184,296.00	5,000.00	50,000.00	741,766.00
FMAC DISC NOTES	25,000.00	-	50,000.00	-	-	-	75,000.00
FARMER MAC	-	35,000.00	50,000.00	15,000.00	8,850.00	160,000.00	268,850.00
MUNI ZERO CPNS	82,480.00	-	-	-	-	-	82,480.00
MUNI BONDS	-	11,295.00	21,490.00	12,070.00	-	-	44,855.00
COMM PAPER	186,000.00	315,500.00	169,000.00	-	-	-	670,500.00
Totals (000's):	1,955,630.00	633,427.00	2,135,962.00	892,534.71	353,412.00	863,582.00	6,834,547.71
%	28.61%	9.27%	31.25%	13.06%	5.17%	12.64%	
Cumulative %	28.61%	37.88%	69.13%	82.19%	87.36%	100.00%	



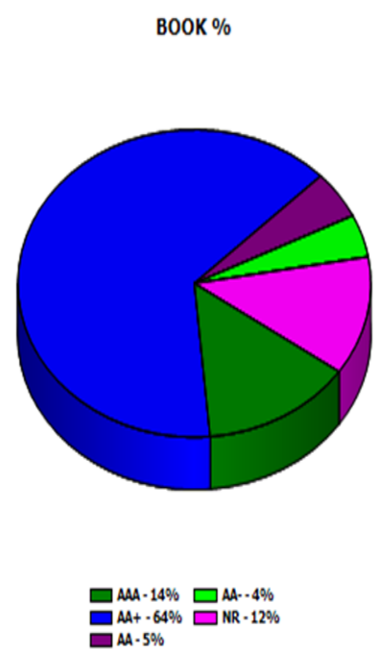
Credit Quality

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	5,114,932.71	5,114,255.43	5,115,048.21	100.02%	0.44%
Aa	30,000.00	29,975.17	29,992.95	100.06%	0.29%
Aa1	8,335.00	8,327.92	8,327.92	100.00%	0.23%
Aa2	520,845.00	520,608.05	520,746.24	100.03%	0.15%
Aa3	306,190.00	306,031.71	306,089.77	100.02%	0.16%
NR	854,245.00	854,085.48	854,260.40	100.02%	0.44%
Totals (000's):	**6,834,547.71**	**6,833,283.75**	**6,834,465.48**	**100.02%**	**0.40%**

MOODY'S



S & P



S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	946,465.00	946,446.06	946,491.10	100.00%	0.12%
AA+	4,383,097.71	4,382,323.90	4,383,133.01	100.02%	0.49%
AA	344,550.00	344,396.60	344,491.19	100.03%	0.14%
AA-	306,190.00	306,031.71	306,089.77	100.02%	0.16%
NR	854,245.00	854,085.48	854,260.40	100.02%	0.44%
Totals (000's):	**6,834,547.71**	**6,833,283.75**	**6,834,465.48**	**100.02%**	**0.40%**

CUSIP	Description	Maturity Date	Coupon	Yield To Maturity	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
Fund: 1 POOL FUND											
REPOS											
REPO	REPO - WFF	05/01/2015	.110	.110	250,000,000.00	250,000,000.00	100.000000	250,000,000.00	0.00	.003	.003
			.110	**.110**	**250,000,000.00**	**250,000,000.00**	**100.000000**	**250,000,000.00**	**0.00**	**.003**	**.003**
MMKT											
WFJXX	CALTRUST HERITAGE	05/01/2015	.106	.106	270,000,000.00	270,000,000.00	100.000000	270,000,000.00	0.00	.003	.003
FIPXX	FIDELITY PRIME	05/01/2015	.104	.104	175,000,000.00	175,000,000.00	100.000000	175,000,000.00	0.00	.003	.003
POIXX	FEDERATED PRIME	05/01/2015	.056	.056	90,000,000.00	90,000,000.00	100.000000	90,000,000.00	0.00	.003	.003
MPFXX	MORGAN STANLEY PRIME	05/01/2015	.075	.075	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.003	.003
CJPXX	JP MORGAN PRIME	05/01/2015	.081	.081	260,000,000.00	260,000,000.00	100.000000	260,000,000.00	0.00	.003	.003
			.091	**.091**	**845,000,000.00**	**845,000,000.00**	**100.000000**	**845,000,000.00**	**0.00**	**.003**	**.003**
CALTRUST FND											
CLTR	CALTRUST SHT TERM	05/01/2015	.440	.440	54,000,000.00	54,000,000.00	100.000000	54,000,000.00	0.00	.003	.003
			.440	**.440**	**54,000,000.00**	**54,000,000.00**	**100.000000**	**54,000,000.00**	**0.00**	**.003**	**.003**
DDA/PASSBK											
CASH	UB MANAGED RATE	05/01/2015	.080	.080	260,000,000.00	260,000,000.00	100.000000	260,000,000.00	0.00	.003	.003
			.080	**.080**	**260,000,000.00**	**260,000,000.00**	**100.000000**	**260,000,000.00**	**0.00**	**.003**	**.003**
LOCAL AGCY OBLIG											
LAO	US DIST COURTHOUSE	06/15/2020	.964	.964	395,000.00	395,000.00	100.000000	395,000.00	0.00	2.487	5.132
			.964	**.964**	**395,000.00**	**395,000.00**	**100.000000**	**395,000.00**	**0.00**	**2.487**	**5.132**
US TREAS BONDS											
912828TM2	U.S. TREASURY BOND	08/31/2017	.625	1.013	5,000,000.00	4,937,109.38	99.781000	4,989,050.00	51,940.62	2.306	2.340
912828TB6	U.S. TREASURY BOND	06/30/2017	.750	.932	5,000,000.00	4,971,875.00	100.188000	5,009,400.00	37,525.00	2.138	2.170
912828UG3	U.S. TREASURY BOND	01/15/2016	.375	.225	25,000,000.00	25,047,851.56	100.133000	25,033,250.00	-14,601.56	.707	.712
912828UG3	U.S. TREASURY BOND	01/15/2016	.375	.237	25,000,000.00	25,043,945.31	100.133000	25,033,250.00	-10,695.31	.707	.712
912828UG3	U.S. TREASURY BOND	01/15/2016	.375	.184	25,000,000.00	25,057,617.19	100.133000	25,033,250.00	-24,367.19	.707	.712
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.324	25,000,000.00	24,971,679.69	99.953000	24,988,250.00	16,570.31	1.038	1.044
912828WH9	U.S. TREASURY BOND	05/15/2017	.875	.752	25,000,000.00	25,077,148.44	100.523000	25,130,750.00	53,601.56	2.012	2.044
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.335	25,000,000.00	24,967,773.44	99.953000	24,988,250.00	20,476.56	1.038	1.044
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.335	25,000,000.00	24,967,773.44	99.953000	24,988,250.00	20,476.56	1.038	1.044
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.324	25,000,000.00	24,971,679.69	99.953000	24,988,250.00	16,570.31	1.038	1.044
912828SC5	U.S. TREASURY BOND	01/31/2017	.875	.641	25,000,000.00	25,129,882.81	100.602000	25,150,500.00	20,617.19	1.731	1.759
912828B82	U.S. TREASURY BOND	02/29/2016	.250	.238	25,000,000.00	25,003,906.25	100.023000	25,005,750.00	1,843.75	.834	.836
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.292	25,000,000.00	24,984,375.00	99.953000	24,988,250.00	3,875.00	1.038	1.044
912828B41	U.S. TREASURY BOND	01/31/2016	.375	.278	25,000,000.00	25,027,343.75	100.133000	25,033,250.00	5,906.25	.748	.756
912828UG3	U.S. TREASURY BOND	01/15/2016	.375	.267	25,000,000.00	25,029,296.88	100.133000	25,033,250.00	3,953.12	.706	.712
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.418	25,000,000.00	24,941,406.25	99.953000	24,988,250.00	46,843.75	1.038	1.044
912828UG3	U.S. TREASURY BOND	01/15/2016	.375	.320	25,000,000.00	25,014,648.44	100.133000	25,033,250.00	18,601.56	.706	.712
912828VC1	U.S. TREASURY BOND	05/15/2016	.250	.329	50,000,000.00	49,947,265.63	99.953000	49,976,500.00	29,234.37	1.038	1.044
			.375	**.357**	**435,000,000.00**	**435,092,578.15**	**100.089874**	**435,390,950.00**	**298,371.85**	**1.038**	**1.047**
FHLMC DISC NOTES											
313396HY2	FHLMC-DISC NOTE	07/10/2015	.150	.150	15,000,000.00	14,977,687.50	99.988000	14,998,200.00	20,512.50	.194	.195
313396KP7	FHLMC-DISC NOTE	08/18/2015	.170	.170	20,000,000.00	19,966,377.78	99.980000	19,996,000.00	29,622.22	.301	.301
313396GZ0	FHLMC-DISC NOTE	06/17/2015	.105	.105	25,000,000.00	24,984,687.50	99.994000	24,998,500.00	13,812.50	.131	.132
313396GZ0	FHLMC-DISC NOTE	06/17/2015	.105	.105	25,000,000.00	24,985,052.08	99.994000	24,998,500.00	13,447.92	.131	.132
313396GZ0	FHLMC-DISC NOTE	06/17/2015	.105	.105	25,000,000.00	24,985,052.08	99.994000	24,998,500.00	13,447.92	.131	.132
313396GX5	FHLMC-DISC NOTE	06/15/2015	.175	.175	11,571,000.00	11,560,987.87	99.994000	11,570,305.74	9,317.87	.126	.126
313396JV6	FHLMC-DISC NOTE	07/31/2015	.118	.118	32,000,000.00	31,981,513.33	99.985000	31,995,200.00	13,686.67	.252	.252
313396ND1	FHLMC DISC NOTE	10/19/2015	.150	.150	25,000,000.00	24,976,666.67	99.962000	24,990,500.00	13,833.33	.470	.471
313396NE9	FHLMC-DISC NOTE	10/20/2015	.150	.150	25,000,000.00	24,977,395.83	99.962000	24,990,500.00	13,104.17	.473	.474
313396LP6	FHLMC-DISC NOTE	09/11/2015	.152	.150	25,000,000.00	24,981,458.33	99.971000	24,992,750.00	11,291.67	.366	.367
313396LP6	FHLMC DISC NOTE	09/11/2015	.170	.170	25,000,000.00	24,979,104.17	99.971000	24,992,750.00	13,645.83	.366	.367
313396NE9	FHLMC DISC NOTE	10/20/2015	.150	.150	25,000,000.00	24,978,957.50	99.962000	24,990,500.00	11,542.50	.473	.474
313396NE9	FHLMC DISC NOTE	10/20/2015	.150	.150	25,000,000.00	24,978,958.33	99.962000	24,990,500.00	11,541.67	.473	.474
313396NF6	FHLMC DISC NOTE	10/21/2015	.145	.145	25,000,000.00	24,979,659.72	99.962000	24,990,500.00	10,840.28	.476	.477
313396SV6	FHLMC DISC NOTE	02/08/2016	.220	.220	25,000,000.00	24,954,472.22	99.830000	24,957,500.00	3,027.78	.776	.778
313396NE9	FHLMC DISC NOTE	10/20/2015	.135	.135	25,000,000.00	24,982,937.50	99.962000	24,990,500.00	7,562.50	.473	.474
313396TG8	FHLMC DISC NOTE	02/19/2016	.190	.190	25,000,000.00	24,960,680.50	99.824000	24,956,000.00	-4,680.50	.806	.808
313396SA2	FHLMC DISC NOTE	01/20/2016	.170	.170	25,000,000.00	24,968,597.22	99.861000	24,965,250.00	-3,347.22	.724	.726
313396SA2	FHLMC DISC NOTE	01/20/2016	.170	.170	25,000,000.00	24,968,597.22	99.861000	24,965,250.00	-3,347.22	.724	.726
313396SA2	FHLMC DISC NOTE	01/20/2016	.160	.160	10,000,000.00	9,988,222.22	99.861000	9,986,100.00	-2,122.22	.724	.726
			.150	**.150**	**463,571,000.00**	**463,117,065.57**	**99.944519**	**463,313,805.74**	**196,740.17**	**.432**	**.434**
FHLMC BONDS											
3134G3S50	FHLMC 4Yr	11/01/2016	.625	.647	10,000,000.00	9,991,200.00	100.079000	10,007,900.00	16,700.00	1.489	1.510
3134G33R9	FHLMC 3YrNc1YrE	01/15/2016	.450	.450	5,000,000.00	5,000,000.00	100.122000	5,006,100.00	6,100.00	.706	.712
3134G3S50	FHLMC 4Yr	11/01/2016	.625	.600	4,625,000.00	4,629,301.25	100.079000	4,628,653.75	-647.50	1.489	1.510
3134G36J4	FHLMC 3.5YrNc3MoB	09/14/2016	.650	.650	5,000,000.00	5,000,000.00	99.822000	4,991,100.00	-8,900.00	1.363	1.378
3134G36J4	FHLMC 3YrNc3MoB	09/14/2016	.650	.656	5,000,000.00	4,999,000.00	99.822000	4,991,100.00	-7,900.00	1.363	1.378
3134G36J4	FHLMC 3.5YrNc3MoB	09/14/2016	.650	.650	5,000,000.00	5,000,000.00	99.822000	4,991,100.00	-8,900.00	1.363	1.378
3134G4MB1	FHLMC 5YrNc6MoB	12/18/2018	1.500	1.500	5,000,000.00	5,000,000.00	100.179000	5,008,950.00	8,950.00	3.504	3.638
3134G4M88	FHLMC 5YrNc6MoB	12/18/2018	1.375	1.375	10,000,000.00	10,000,000.00	100.127000	10,012,700.00	12,700.00	3.515	3.638
3134G5F75	FHLMC 5YrNc3MoB	08/21/2019	1.500	1.500	5,000,000.00	5,000,000.00	100.078000	5,003,900.00	3,900.00	4.146	4.312
3134G5E68	FHLMC 5YrNc3MoB	08/20/2019	1.750	1.750	10,000,000.00	10,000,000.00	100.077000	10,007,700.00	7,700.00	4.117	4.310
3134G5F75	FHLMC 5YrNc6MoB	08/21/2019	1.500	1.500	9,150,000.00	9,150,000.00	100.078000	9,157,137.00	7,137.00	4.146	4.312
3134G5GM1	FHLMC 5YrNc6MoB	08/28/2019	1.700	1.700	10,000,000.00	10,000,000.00	100.095000	10,009,500.00	9,500.00	4.144	4.332
3134G5GM1	FHLMC 5YrNc6MoB	08/28/2019	1.700	1.700	10,000,000.00	10,000,000.00	100.095000	10,009,500.00	9,500.00	4.144	4.332
3134G5GX7	FHLMC 5YrNc6MoB	09/16/2019	1.625	1.625	10,000,000.00	10,000,000.00	100.166000	10,016,600.00	16,600.00	4.201	4.384
3134G5GU3	FHLMC 5YrNc3MoB	09/04/2019	1.500	1.500	3,200,000.00	3,200,000.00	100.118000	3,203,776.00	3,776.00	4.181	4.351
3134G5LW3	FHLMC 5YrNc3MoB	11/20/2019	1.500	1.500	5,863,000.00	5,863,000.00	100.068000	5,866,986.84	3,986.84	4.359	4.562
3134G5NG6	FHLMC 5YrNc3MoB	11/26/2019	1.750	1.750	10,000,000.00	10,000,000.00	100.106000	10,010,600.00	10,600.00	4.343	4.578
3134G5PL3	FHLMC 1YrNc6MoB	12/09/2015	.270	.270	25,000,000.00	25,000,000.00	99.950000	24,987,500.00	-12,500.00	.607	.611
3134G5P66	FHLMC 5YrNc3MoB	11/26/2019	1.625	1.625	15,000,000.00	15,000,000.00	100.098000	15,014,700.00	14,700.00	4.359	4.578
3134G5P33	FHLMC 5YrNc3MoB	11/26/2019	1.750	1.750	10,000,000.00	10,000,000.00	100.110000	10,011,000.00	11,000.00	4.343	4.578
3134G5NY7	FHLMC 2.25YrNc6MoE	02/28/2017	.750	.750	15,000,000.00	15,000,000.00	100.047000	15,007,050.00	7,050.00	1.815	1.836
3134G5PL3	FHLMC 1YrNc6MoE	12/09/2015	.270	.270	50,000,000.00	50,000,000.00	99.950000	49,975,000.00	-25,000.00	.607	.611
3137EADQ9	FHLMC 1Yr	05/13/2016	.500	.350	25,000,000.00	25,055,500.00	100.115000	25,028,750.00	-26,750.00	1.031	1.038
3134G5NG6	FHLMC 5YrNc3MoB	11/26/2019	1.750	1.750	13,080,000.00	13,080,000.00	100.106000	13,093,864.80	13,864.80	4.343	4.578
3134G5NB7	FHLMC 5YrNc3MoB	11/20/2019	1.625	1.625	10,000,000.00	10,000,000.00	100.080000	10,008,000.00	8,000.00	4.343	4.562
3134G5NG6	FHLMC 5YrNc3MoB	11/26/2019	1.750	1.750	5,000,000.00	5,000,000.00	100.106000	5,005,300.00	5,300.00	4.343	4.578
3134G5P33	FHLMC 5YrNc3MoB	11/26/2019	1.750	1.760	10,000,000.00	9,995,000.00	100.110000	10,011,000.00	16,000.00	4.343	4.578
3134G5SR7	FHLMC 5YrNc6MoB	12/24/2019	1.600	1.600	20,000,000.00	20,000,000.00	100.211000	20,042,200.00	42,200.00	4.440	4.655
3134G4WC8	FHLMC 3YrNc2MoB	05/27/2016	.500	.527	15,000,000.00	14,994,000.00	100.024000	15,003,600.00	9,600.00	1.068	1.077
3134G5SB2	FHLMC 2YrNc3MoB	12/19/2016	.750	.790	15,000,000.00	14,988,000.00	99.949000	14,992,350.00	4,350.00	1.619	1.641
3134G5SF3	FHLMC 2.25YrNc3MoB	03/24/2017	.850	.909	5,505,000.00	5,497,843.50	100.105000	5,510,780.25	12,936.75	1.879	1.901
3134G5SU0	FHLMC 2.5YrNc3MoB	06/30/2017	1.000	1.049	9,500,000.00	9,488,600.00	100.066000	9,506,270.00	17,670.00	2.141	2.170
3134G5WA9	FHLMC 2YrNc1YrE	12/30/2016	.750	.750	25,000,000.00	25,000,000.00	100.110000	25,027,500.00	27,500.00	1.649	1.671
3134G5UX1	FHLMC 5YrNc3MoB	12/30/2019	1.800	1.800	10,000,000.00	10,000,000.00	99.866000	9,986,600.00	-13,400.00	4.431	4.671
3134G6AA1	FHLMC 2YrNc6MoE	01/30/2017	.700	.700	10,000,000.00	10,000,000.00	100.006000	10,000,600.00	600.00	1.739	1.756
3134G6AQ6	FHLMC 5YrNc3MoB	02/19/2020	1.600	1.600	10,000,000.00	10,000,000.00	99.853000	9,985,300.00	-14,700.00	4.591	4.811

CUSIP	Description	Maturity Date	Coupon	Yield To Maturity	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
3134G6AA1	FHLMC 2YrNc6MoE	01/30/2017	.700	.700	10,000,000.00	10,000,000.00	100.006000	10,000,600.00	600.00	1.733	1.756
3134G6BS1	FHLMC 2.5YrNc6MoE	08/25/2017	1.000	1.000	10,000,000.00	10,000,000.00	100.192000	10,019,200.00	19,200.00	2.283	2.323
3134G6BT9	FHLMC 2.75YrNc3MoB	11/27/2017	1.125	1.125	15,000,000.00	15,000,000.00	100.063000	15,009,450.00	9,450.00	2.526	2.581
3134G6DA8	FHLMC 5YrNc3MoB	02/27/2020	1.600	1.600	10,000,000.00	10,000,000.00	100.097000	10,009,700.00	9,700.00	4.613	4.833
3134G6GX5	FHLMC 5YrNc3MoB	03/12/2020	1.700	1.700	20,000,000.00	20,000,000.00	100.154000	20,030,800.00	30,800.00	4.642	4.871
3134G6JJ3	FHLMC 5YrNc3MoB	03/23/2020	1.750	1.750	10,000,000.00	10,000,000.00	100.207000	10,020,700.00	20,700.00	4.666	4.901
3134G6KV4	FHLMC 5YrNc3MoB	03/25/2020	1.625	1.625	15,000,000.00	15,000,000.00	100.197000	15,029,550.00	29,550.00	4.687	4.907
3130A4N24	FHLMC 5YrNc3MoB	03/30/2020	1.900	1.900	15,000,000.00	15,000,000.00	100.250000	15,037,500.00	37,500.00	4.666	4.921
3134G6KV4	FHLMC 5YrNc3MoB	03/25/2020	1.625	1.625	7,900,000.00	7,900,000.00	100.197000	7,915,563.00	15,563.00	4.687	4.907
3134G6KM4	FHLMC 5YrNc3MoB	03/30/2020	1.850	1.850	15,000,000.00	15,000,000.00	100.242000	15,036,300.00	36,300.00	4.672	4.921
3134G6PB3	FHLMC 5YrNc6MoB	04/20/2020	1.500	1.500	7,000,000.00	7,000,000.00	100.030000	7,002,100.00	2,100.00	4.772	4.978
3134G5BN4	FHLMC 2.25YrNc3MoB	09/30/2016	.620	.620	10,000,000.00	10,000,000.00	100.044000	10,004,400.00	4,400.00	1.408	1.422
3134G6KJ1	FHLMC 5YrNc3MoB	03/23/2020	1.625	1.646	10,000,000.00	9,990,000.00	100.192000	10,019,200.00	29,200.00	4.681	4.901
3137EADQ9	FHLMC 1Yr	05/13/2016	.500	.380	12,500,000.00	12,516,625.00	100.115000	12,514,375.00	-2,250.00	1.030	1.038
3134G5RF4	FHLMC 1Yr	05/27/2016	.400	.380	9,500,000.00	9,502,185.00	100.041000	9,503,895.00	1,710.00	1.072	1.077
3137EADQ9	FHLMC DISC NOTE	05/13/2016	.500	.385	25,000,000.00	25,031,500.00	100.115000	25,028,750.00	-2,750.00	1.030	1.038
3134G6TV5	FHLMC 5YrNc3MoB	04/29/2020	1.550	1.550	15,000,000.00	15,000,000.00	99.324000	14,898,600.00	-101,400.00	4.791	5.003
3137EADQ9	FHLMC 1Yr	05/13/2016	.500	.345	6,059,000.00	6,069,239.71	100.115000	6,065,967.85	-3,271.86	1.031	1.038
3134G6UD3	FHLMC 5YrNc3MoB	04/29/2020	1.500	1.500	13,250,000.00	13,250,000.00	99.863000	13,231,847.50	-18,152.50	4.797	5.003
3134G6TQ6	FHLMC 3YrNc3MoB	04/20/2018	1.250	1.250	10,000,000.00	10,000,000.00	99.851000	9,985,100.00	-14,900.00	2.908	2.975
3137EADQ9	FHLMC 1Yr	05/13/2016	.500	.345	27,307,000.00	27,352,602.69	100.115000	27,338,403.05	-14,199.64	1.031	1.038
3134G6TV5	FHLMC 5YrNc3MoB	04/29/2020	1.550	1.550	6,234,000.00	6,234,000.00	99.324000	6,191,858.16	-42,141.84	4.791	5.003
			1.100	**1.084**	**700,673,000.00**	**700,777,597.15**	**100.048743**	**701,014,528.20**	**236,931.05**	**2.811**	**2.922**
FNMA DISC NOTES											
313588FN0	FNMA DISC NOTE	05/13/2015	.095	.095	25,000,000.00	24,988,125.00	99.999000	24,999,750.00	11,625.00	.036	.036
313588FV2	FNMA DISC NOTE	05/20/2015	.100	.100	25,000,000.00	24,987,777.78	99.998000	24,999,500.00	11,722.22	.055	.055
313588KH7	FNMA DISC NOTE	08/12/2015	.115	.115	31,000,000.00	30,982,670.14	99.981000	30,994,110.00	11,439.86	.284	.285
313588LT0	FNMA DISC NOTE	09/15/2015	.110	.110	35,000,000.00	34,977,862.50	99.970000	34,989,500.00	11,637.50	.377	.378
313588LU7	FNMA DISC NOTE	09/16/2015	.170	.170	25,000,000.00	24,978,631.94	99.970000	24,992,500.00	13,868.06	.380	.381
313588LN3	FNMA DISC NOTE	09/10/2015	.130	.130	25,000,000.00	24,984,743.06	99.971000	24,992,750.00	8,006.94	.364	.364
313396LE1	FNMA DISC NOTE	09/02/2015	.130	.130	25,000,000.00	24,985,555.56	99.973000	24,993,250.00	7,694.44	.342	.342
313588LE3	FNMA DISC NOTE	09/02/2015	.130	.130	25,000,000.00	24,985,645.83	99.973000	24,993,250.00	7,604.17	.342	.342
313588LE3	FNMA DISC NOTE	09/02/2015	.130	.130	25,000,000.00	24,985,645.83	99.973000	24,993,250.00	7,604.17	.342	.342
313588TK1	FNMA DISC NOTE	02/22/2016	.240	.246	25,000,000.00	24,945,215.28	99.822000	24,955,500.00	10,284.72	.814	.816
313588TK1	FNMA DISC NOTE	02/22/2016	.245	.246	25,000,000.00	24,945,555.56	99.822000	24,955,500.00	9,944.44	.814	.816
313588NN1	FNMA DISC NOTE	10/28/2015	.120	.120	20,000,000.00	19,987,933.40	99.960000	19,992,000.00	4,066.60	.495	.496
			.142	**.142**	**311,000,000.00**	**310,735,361.88**	**99.952045**	**310,850,860.00**	**115,498.12**	**.383**	**.384**
FNMA BONDS											
3136FP6X0	FNMA 5Yr	02/04/2016	.282	.383	10,000,000.00	9,990,000.00	100.108000	10,010,800.00	20,800.00	.759	.767
3136G0W49	FNMA 5YrNc1YrB	11/08/2017	.800	.800	10,000,000.00	10,000,000.00	100.013000	10,001,300.00	1,300.00	2.486	2.529
3135G0QB2	FNMA 3YrNc1YrE	10/22/2015	.500	.489	5,000,000.00	5,001,562.50	100.160000	5,008,000.00	6,437.50	.478	.479
3136G03B5	FNMA 5YrNc6MoB	11/07/2017	.800	.800	5,250,000.00	5,250,000.00	100.009000	5,250,472.50	472.50	2.487	2.526
3136G12F5	FNMA 5YrNc1YrB	12/18/2017	.850	.850	10,000,000.00	10,000,000.00	99.833000	9,983,300.00	-16,700.00	2.594	2.638
3136G13S6	FNMA 5YrNc1YrB	12/13/2017	.800	.800	5,000,000.00	5,000,000.00	100.066000	5,003,300.00	3,300.00	2.579	2.625
3136G12F5	FNMA 5YrNc1YrB	12/18/2017	.850	.850	8,752,000.00	8,752,000.00	99.833000	8,737,384.16	-14,615.84	2.594	2.638
3136G14Q9	FNMA 5YrNc1YrB	12/26/2017	.750	.750	10,000,000.00	10,000,000.00	99.790000	9,979,000.00	-21,000.00	2.618	2.660
3136G16J3	FNMA 5YrNc1YrB	12/27/2017	.800	.800	5,000,000.00	5,000,000.00	99.929000	4,996,450.00	-3,550.00	2.624	2.663
3136G13S6	FNMA 5YrNc1YrB	12/13/2017	.800	.800	5,000,000.00	5,000,000.00	100.066000	5,003,300.00	3,300.00	2.579	2.625
3136G17E3	FNMA 5YrNc1YrB	12/26/2017	.700	.700	8,750,000.00	8,750,000.00	99.971000	8,747,462.50	-2,537.50	2.622	2.660
3136G1A66	FNMA 5YrNc1YrB	12/26/2017	.700	.700	10,000,000.00	10,000,000.00	100.058000	10,005,800.00	5,800.00	2.620	2.660
3136G1AQ2	FNMA 5YrNc6MoB	01/30/2018	.700	.700	7,200,000.00	7,200,000.00	99.967000	7,197,624.00	-2,376.00	2.714	2.756
3136G1C56	FNMA 5YrNc1YrB	01/29/2018	.800	.800	10,000,000.00	10,000,000.00	100.002000	10,000,200.00	200.00	2.707	2.753
3136G1AJ8	FNMA 5YrNc1YrB	01/30/2018	.800	.800	10,000,000.00	10,000,000.00	99.701000	9,970,100.00	-29,900.00	2.713	2.756
3136G1AY5	FNMA 5YrNc1YrB	01/30/2018	.750	.750	4,500,000.00	4,500,000.00	100.097000	4,504,365.00	4,365.00	2.712	2.756
3136G1D97	FNMA 5YrNc1YrB	02/28/2018	.800	.800	15,000,000.00	15,000,000.00	100.038000	15,005,700.00	5,700.00	2.792	2.836
3136G1DA4	FNMA 5YrNc1YrB	02/28/2018	1.000	1.000	10,000,000.00	10,000,000.00	100.049000	10,004,900.00	4,900.00	2.782	2.836
3136G1DA4	FNMA 5YrNc1YrB	02/28/2018	1.000	1.006	5,000,000.00	4,998,500.00	100.049000	5,002,450.00	3,950.00	2.782	2.836
3136G1DB2	FNMA 5YrNc6MoB	02/28/2018	1.120	1.120	10,000,000.00	10,000,000.00	100.063000	10,006,300.00	6,300.00	2.781	2.836
3136G1CW7	FNMA 5YrNc1YrB	02/20/2018	1.000	1.042	5,000,000.00	4,993,750.00	100.038000	5,001,900.00	8,150.00	2.761	2.814
3136G1DB2	FNMA 5YrNc6MoB	02/28/2018	1.120	1.120	10,000,000.00	10,000,000.00	100.063000	10,006,300.00	6,300.00	2.781	2.836
3136G1ET2	FNMA 5YrNc6MoB	03/06/2018	1.000	1.000	10,000,000.00	10,000,000.00	100.067000	10,006,700.00	6,700.00	2.799	2.852
3136G1FW4	FNMA 5YrNc6MoB	03/19/2018	1.120	1.128	5,000,000.00	4,998,750.00	100.108000	5,005,400.00	6,650.00	2.833	2.888
3136G1FW4	FNMA 5YrNc6MoB	03/19/2018	1.120	1.120	10,000,000.00	10,000,000.00	100.108000	10,010,800.00	10,800.00	2.833	2.888
3136G1FW4	FNMA 5YrNc6MoB	03/19/2018	1.120	1.120	5,000,000.00	5,000,000.00	100.108000	5,005,400.00	5,400.00	2.833	2.888
3136G1GS2	FNMA 5YrNc6MoB	03/27/2018	1.000	1.000	5,000,000.00	5,000,000.00	100.078000	5,003,900.00	3,900.00	2.875	2.910
3136G1GN3	FNMA 5YrNc1YrB	03/27/2018	.800	.800	5,000,000.00	5,000,000.00	99.715000	4,985,750.00	-14,250.00	2.867	2.910
3136G1GR4	FNMA 3.5YrNc6MoB	09/27/2016	.625	.634	5,500,000.00	5,498,350.00	100.053000	5,502,915.00	4,565.00	1.399	1.414
3136G1GR4	FNMA 3.5YrNc6MoB	09/27/2016	.625	.625	5,000,000.00	5,000,000.00	100.053000	5,002,650.00	2,650.00	1.399	1.414
3136G1FW4	FNMA 5YrNc6MoB	03/19/2018	1.120	1.120	10,000,000.00	10,000,000.00	100.108000	10,010,800.00	10,800.00	2.833	2.888
3136G1HC6	FNMA 5YrNc1YrB	03/28/2018	.850	.850	5,000,000.00	5,000,000.00	100.099000	5,004,950.00	4,950.00	2.867	2.912
3136G1HB8	FNMA 5YrNc1YrB	03/28/2018	1.000	1.000	5,000,000.00	5,000,000.00	100.199000	5,009,950.00	9,950.00	2.867	2.912
3136G1HE2	FNMA 5YrNc6MoB	03/20/2018	1.000	1.022	5,000,000.00	4,996,250.00	100.101000	5,005,050.00	8,800.00	2.846	2.890
3136G1HP7	FNMA 5YrNc1YrB	03/28/2018	1.000	1.000	5,000,000.00	5,000,000.00	99.611000	4,980,550.00	-19,450.00	2.867	2.912
3135G0VQ3	FNMA 3YrNc6MoB	09/26/2016	.650	.650	5,000,000.00	5,000,000.00	99.922000	4,996,100.00	-3,900.00	1.396	1.411
3136G1KJ7	FNMA 5YrNc6MoB	04/30/2018	.880	.880	10,000,000.00	10,000,000.00	99.979000	9,997,900.00	-2,100.00	2.959	3.003
3135G0WS8	FNMA 3.5YrNc6MoB	11/15/2016	.600	.600	10,000,000.00	10,000,000.00	99.933000	9,993,300.00	-6,700.00	1.528	1.548
3136G1JW0	FNMA 5YrNc6MoB	04/18/2018	1.120	1.120	5,610,000.00	5,610,000.00	100.055000	5,613,085.50	3,085.50	2.922	2.970
3135G0WS8	FNMA 3.5YrNc1YrB	11/15/2016	.600	.600	10,000,000.00	10,000,000.00	99.933000	9,993,300.00	-6,700.00	1.528	1.548
3136G1KW8	FNMA 5YrNc6MoB	05/08/2018	.900	.900	5,000,000.00	5,000,000.00	100.088000	5,004,400.00	4,400.00	2.967	3.025
3136G14F3	FNMA 3.5YrNc6MoB	12/27/2016	.680	.665	12,000,000.00	12,006,600.00	99.953000	11,994,360.00	-12,240.00	1.643	1.663
3135G0WS8	FNMA 3.5YrNc1YrE	11/15/2016	.600	.600	5,000,000.00	5,000,000.00	99.933000	4,996,650.00	-3,350.00	1.528	1.548
3135G0WS8	FNMA 3.5YrNc1YrE	11/15/2016	.600	.600	5,000,000.00	5,000,000.00	99.933000	4,996,650.00	-3,350.00	1.528	1.548
3135G0WS8	FNMA 3.5YrNc1YrE	11/15/2016	.600	.600	5,000,000.00	5,000,000.00	99.933000	4,996,650.00	-3,350.00	1.528	1.548
3135G0WS8	FNMA 3.5YrNc1YrE	11/15/2016	.600	.600	10,000,000.00	10,000,000.00	99.933000	9,993,300.00	-6,700.00	1.528	1.548
3135G0WS8	FNMA 3.5YrNc1YrE	11/15/2016	.600	.600	5,000,000.00	5,000,000.00	99.933000	4,996,650.00	-3,350.00	1.528	1.548
3136G1KJ7	FNMA 5YrNc6MoB	04/30/2018	.880	.880	5,000,000.00	5,000,000.00	99.979000	4,998,950.00	-1,050.00	2.959	3.003
3136G1KW8	FNMA 5YrNc6MoB	05/08/2018	.900	.900	21,750,000.00	21,750,000.00	100.088000	21,769,140.00	19,140.00	2.967	3.025
3136G1LT4	FNMA 3.5YrNc1YrB	11/28/2016	.500	.512	10,000,000.00	9,996,000.00	99.845000	9,984,500.00	-11,500.00	1.566	1.584
3135G0WS8	FNMA 3.5YrNc1YrB	11/15/2016	.600	.600	3,635,000.00	3,635,000.00	99.933000	3,632,564.55	-2,435.45	1.528	1.548
3135G0WS8	FNMA 3.5YrNc1YrB	11/15/2016	.600	.604	10,000,000.00	9,998,500.00	99.933000	9,993,300.00	-5,200.00	1.528	1.548
3135G0WS8	FNMA 3.5YrNc1YrB	11/15/2016	.600	.600	10,000,000.00	10,000,000.00	99.933000	9,993,300.00	-6,700.00	1.528	1.548
3136G1LT4	FNMA 3.5YrNc1YrB	11/28/2016	.500	1.009	752,000.00	739,216.00	99.845000	750,834.40	11,618.40	1.562	1.584
3136G1MU0	FNMA 5YrNc6MoB	06/12/2018	.850	1.077	10,000,000.00	9,911,500.00	100.081000	10,008,100.00	96,600.00	3.058	3.121
3135G0KM4	FNMA 1Yr	05/27/2015	.500	.182	20,000,000.00	20,078,200.00	100.010000	20,002,000.00	-76,200.00	.074	.074
3135G0KM4	FNMA 1.25Yr	05/27/2015	.500	.157	20,000,000.00	20,084,102.60	100.010000	20,002,000.00	-82,102.60	.074	.074
3135G0KM4	FNMA 1Yr	05/27/2015	.500	.119	25,000,000.00	25,100,000.00	100.010000	25,002,500.00	-97,500.00	.074	.074
3136G2DQ7	FNMA 5YrNc6MoB	02/13/2020	1.500	1.500	10,000,000.00	10,000,000.00	99.745000	9,974,500.00	-25,500.00	4.587	4.795
3136G2DW4	FNMA 5YrNc6MoB	02/20/2020	1.500	1.500	9,975,000.00	9,975,000.00	99.631000	9,938,192.25	-36,807.75	4.607	4.814
			.792	**.755**	**503,674,000.00**	**503,813,281.10**	**99.982022**	**503,583,449.86**	**-229,831.24**	**2.157**	**2.198**
FHLB DISC NOTES											

CUSIP	Description	Maturity Date	Coupon	Yield To Maturity	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
313384JT7	FHLB DISC NOTE	07/29/2015	.130	.130	50,000,000.00	49,967,138.89	99.985167	49,992,583.33	25,444.44	.246	.247
313384KA6	FHLB DISC NOTE	08/05/2015	.130	.130	50,000,000.00	49,967,138.89	99.984000	49,992,000.00	24,861.11	.265	.266
313384PE3	FHLB DISC NOTE	11/13/2015	.160	.160	25,000,000.00	24,968,777.75	99.951000	24,987,750.00	18,972.25	.538	.540
313384LE7	FHLB DISC NOTE	09/02/2015	.135	.135	25,000,000.00	24,982,093.75	99.975889	24,993,972.22	11,878.47	.342	.342
313384ML0	FHLB DISC NOTE	10/02/2015	.160	.160	25,000,000.00	24,980,111.11	99.965778	24,991,444.44	11,333.33	.424	.425
313384SP5	FHLB DISC NOTE	02/02/2016	.240	.240	25,000,000.00	24,950,000.00	99.834000	24,958,500.00	8,500.00	.759	.762
313384MY2	FHLB DISC NOTE	10/14/2015	.150	.150	4,352,000.00	4,348,808.53	99.963111	4,350,394.60	1,586.07	.457	.458
313384TP4	FHLB DISC NOTE	02/26/2016	.215	.215	14,300,000.00	14,273,610.54	99.819000	14,274,117.00	506.46	.825	.827
313384SW0	FHLB DISC NOTE	02/09/2016	.200	.200	10,000,000.00	9,983,777.78	99.830000	9,983,000.00	-777.78	.779	.781
			.158	**.158**	**228,652,000.00**	**228,421,457.24**	**99.943916**	**228,523,761.59**	**102,304.35**	**.432**	**.433**
FHLB BONDS											
313378AC5	FHLB 3Yr	05/22/2015	.500	.500	5,000,000.00	5,000,000.00	100.024000	5,001,200.00	1,200.00	.060	.060
313380S57	FHLB 4YrNc3MoA	10/11/2016	.700	.700	4,285,714.00	4,285,714.00	99.917000	4,282,156.86	-3,557.14	1.437	1.452
313382Y31	FHLB 5YrNc6MoB	05/21/2018	.750	.750	12,000,000.00	12,000,000.00	100.034000	12,004,080.00	4,080.00	3.008	3.060
3133833M1	FHLB 5YrNC3MoB	05/23/2018	.750	.750	10,000,000.00	10,000,000.00	99.876000	9,987,600.00	-12,400.00	3.014	3.066
3133833J8	FHLB 5YrNc6MoB	05/25/2018	.750	.750	10,000,000.00	10,000,000.00	100.042000	10,004,200.00	4,200.00	3.019	3.071
3133834M0	FHLB 5YrNc6MoB	05/29/2018	.750	.750	5,000,000.00	5,000,000.00	100.047000	5,002,350.00	2,350.00	3.030	3.082
3133836N6	FHLB 5YrNc1YrB	06/12/2018	.800	.800	10,000,000.00	10,000,000.00	100.079000	10,007,900.00	7,900.00	3.063	3.121
3133836N6	FHLB 5YrNc1YrB	06/12/2018	.800	.800	10,000,000.00	10,000,000.00	100.079000	10,007,900.00	7,900.00	3.063	3.121
313383CP4	FHLB 5YrNc3MoB	06/19/2018	.875	.875	5,000,000.00	5,000,000.00	99.758000	4,987,900.00	-12,100.00	3.077	3.140
313383CP4	FHLB 5YrNc3MoB	06/19/2018	.875	.875	5,000,000.00	5,000,000.00	99.758000	4,987,900.00	-12,100.00	3.077	3.140
313383CP4	FHLB 5YrNc3MoB	06/19/2018	.875	.875	5,000,000.00	5,000,000.00	99.758000	4,987,900.00	-12,100.00	3.077	3.140
313383CP4	FHLB 5YrNc3MoB	06/19/2018	.875	.875	10,000,000.00	10,000,000.00	99.758000	9,975,800.00	-24,200.00	3.077	3.140
313383EM9	FHLB 5YrNc6MoB	06/20/2018	.900	.908	5,000,000.00	4,998,000.00	99.896000	4,994,800.00	-3,200.00	3.078	3.142
313383EN7	FHLB 5YrNc3MoB	06/20/2018	1.000	1.000	13,000,000.00	13,000,000.00	100.107000	13,013,910.00	13,910.00	3.072	3.142
313383EP2	FHLB 5YrNc3MoB	06/20/2018	1.250	1.250	10,000,000.00	10,000,000.00	99.738000	9,973,800.00	-26,200.00	3.055	3.142
3130A15J3	FHLB 3YrNc6MoB	03/24/2017	.900	.900	5,000,000.00	5,000,000.00	100.008000	5,000,400.00	400.00	1.878	1.901
3130A17J1	FHLB 3.25YrNc3MoB	06/27/2017	1.050	1.058	10,000,000.00	9,997,500.00	100.001000	10,000,100.00	2,600.00	2.121	2.162
3130A23Z7	FHLB 5YrNc3MoB	06/18/2019	1.500	1.500	10,000,000.00	10,000,000.00	100.185000	10,018,500.00	18,500.00	3.972	4.137
3130A23Z7	FHLB 5YrNc3MoB	06/18/2019	1.500	1.500	15,000,000.00	15,000,000.00	100.185000	15,027,750.00	27,750.00	3.972	4.137
3130A2AH9	FHLB 5YrNc3MoB	06/26/2019	1.500	1.500	8,000,000.00	8,000,000.00	99.906000	7,992,480.00	-7,520.00	3.994	4.159
3130A3ES9	FHLB 5YrNc3MoB	11/20/2019	1.625	1.625	15,000,000.00	15,000,000.00	100.081000	15,012,150.00	12,150.00	4.343	4.562
3130A3LC6	FHLB 5YrNc3MoB	12/19/2019	1.800	1.800	5,000,000.00	5,000,000.00	100.198000	5,009,900.00	9,900.00	4.401	4.641
3130A3N83	FHLB 3Yr	12/29/2017	1.050	1.050	10,000,000.00	10,000,000.00	100.412000	10,041,200.00	41,200.00	2.611	2.668
3130A3MT8	FHLB 5YrNc6MoB	12/30/2019	1.500	1.500	10,000,000.00	10,000,000.00	99.744000	9,974,400.00	-25,600.00	4.469	4.671
3130A3P81	FHLB 1Yr	01/29/2016	.250	.250	15,000,000.00	15,000,000.00	99.982000	14,997,300.00	-2,700.00	.746	.751
3130A3P81	FHLB 1Yr	01/29/2016	.250	.250	25,000,000.00	25,000,000.00	99.982000	24,995,500.00	-4,500.00	.746	.751
3130A3QH0	FHLB 1YrNc6MoE	01/06/2016	.300	.300	15,000,000.00	15,000,000.00	99.971000	14,995,650.00	-4,350.00	.682	.688
3130A3QP2	FHLB 1YrNc7MoB	01/06/2016	.310	.310	25,000,000.00	25,000,000.00	100.004000	25,001,000.00	1,000.00	.682	.688
3130A3Q56	FHLB 1YrNc6MoE	12/30/2015	.300	.300	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.665	.668
3130A3QU1	FHLB 2YrNc1YrE	12/30/2016	.750	.750	7,000,000.00	7,000,000.00	100.260000	7,018,200.00	18,200.00	1.649	1.671
3130A3LC6	FHLB 5YrNc6MoB	12/19/2019	1.800	1.800	10,000,000.00	10,000,000.00	100.198000	10,019,800.00	19,800.00	4.401	4.641
3130A3RM8	FHLB 2YrNc6MoE	12/30/2016	.770	.770	12,500,000.00	12,500,000.00	100.109000	12,513,625.00	13,625.00	1.649	1.671
3130A3S21	FHLB 5YrNc3MoB	12/30/2019	1.800	1.800	4,600,000.00	4,600,000.00	100.250000	4,611,500.00	11,500.00	4.431	4.671
3130A3WE0	FHLB 1Yr	01/26/2016	.300	.300	25,000,000.00	25,000,000.00	99.991000	24,997,750.00	-2,250.00	.737	.742
3130A3W42	FHLB 1Yr	02/29/2016	.350	.350	6,500,000.00	6,500,000.00	100.021000	6,501,365.00	1,365.00	.834	.836
3130A3UB8	FHLB 5YrNc6MoB	01/22/2020	1.625	1.625	3,360,000.00	3,360,000.00	99.767000	3,352,171.20	-7,828.80	4.514	4.734
3130A3VZ4	FHLB 5YrNc6MoB	01/30/2020	1.500	1.500	9,825,000.00	9,825,000.00	99.762000	9,801,616.50	-23,383.50	4.552	4.756
3130A3ZV9	FHLB 1YrNc3MoB	02/26/2016	.300	.300	25,000,000.00	25,000,000.00	99.987000	24,996,750.00	-3,250.00	.820	.827
3130A3ZV9	FHLB 1YrNc3MoB	02/26/2016	.300	.300	25,000,000.00	25,000,000.00	99.987000	24,996,750.00	-3,250.00	.820	.827
3130A4AR3	FHLB 5YrNc3MoB	02/27/2020	1.800	1.800	15,000,000.00	15,000,000.00	100.108000	15,016,200.00	16,200.00	4.588	4.833
3130A4AH5	FHLB 5YrNc3MoB	02/17/2020	1.800	1.800	10,000,000.00	10,000,000.00	100.108000	10,010,800.00	10,800.00	4.562	4.805
3130A4BX9	FHLB 5YrNc3MoB	03/11/2020	1.750	1.750	10,000,000.00	10,000,000.00	100.157000	10,015,700.00	15,700.00	4.801	4.868
3130A4DE9	FHLB 1YrNc6MoE	03/18/2016	.400	.400	15,000,000.00	15,000,000.00	100.017000	15,002,550.00	2,550.00	.881	.885
3130A34U5	FHLB 1Yr	10/16/2015	.200	.158	4,000,000.00	4,001,040.00	100.043000	4,001,720.00	680.00	.462	.463
3130A4KB7	FHLB 7Mo	10/13/2015	.160	.183	25,000,000.00	24,996,587.00	100.003000	25,000,750.00	4,163.00	.454	.455
3130A4JV5	FHLB 1YrNc3MoB	03/30/2016	.400	.400	25,000,000.00	25,000,000.00	99.995000	24,998,750.00	-1,250.00	.914	.918
3130A4JV5	FHLB 1YrNc3MoB	03/30/2016	.400	.400	15,000,000.00	15,000,000.00	99.995000	14,999,250.00	-750.00	.914	.918
3130A4JU7	FHLB 5YrNc3MoB	03/30/2020	1.850	1.850	10,000,000.00	10,000,000.00	100.255000	10,025,500.00	25,500.00	4.672	4.921
3130A3CC6	FHLB 7Mo	10/14/2015	.190	.163	19,000,000.00	19,003,040.00	100.025000	19,004,750.00	1,710.00	.457	.458
313384MD8	FHLB 6Mo	09/25/2015	.150	.304	25,000,000.00	24,981,041.67	99.968000	24,992,000.00	10,958.33	.405	.405
313384ML0	FHLB 6Mo	10/02/2015	.150	.303	25,000,000.00	24,980,312.50	99.966000	24,991,500.00	11,187.50	.424	.425
313384MH9	FHLB 6Mo	09/29/2015	.150	.304	25,000,000.00	24,980,625.00	99.967000	24,991,750.00	11,125.00	.416	.416
3130A56D6	FHLB 10Mo	02/24/2016	.230	.246	10,000,000.00	9,998,700.00	99.925000	9,992,500.00	-6,200.00	.815	.822
3133834R9	FHLB 1.25Yr	06/24/2016	.375	.366	25,000,000.00	25,002,650.00	100.003000	25,000,750.00	-1,900.00	1.145	1.153
			.679	**.696**	**699,070,714.00**	**699,010,210.17**	**100.009872**	**699,139,724.56**	**129,514.39**	**1.868**	**1.922**
FFCB DISC NOTES											
313312FG0	FFCB DISC NOTE	05/07/2015	.070	.070	15,000,000.00	14,994,050.00	99.999000	14,999,850.00	5,800.00	.019	.019
313312GE4	FFCB DISC NOTE	05/29/2015	.082	.082	25,000,000.00	24,987,244.44	99.998000	24,999,500.00	12,255.56	.079	.079
313312HM5	FFCB DISC NOTE	06/29/2015	.120	.120	25,000,000.00	24,981,333.33	99.992000	24,998,000.00	16,666.67	.164	.164
313312HA1	FFCB DISC NOTE	06/18/2015	.110	.110	25,000,000.00	24,983,958.33	99.994000	24,998,500.00	14,541.67	.134	.134
313312GE4	FFCB DISC NOTE	05/29/2015	.110	.110	25,000,000.00	24,986,631.94	99.998000	24,999,500.00	12,868.06	.079	.079
313396HY2	FFCB DISC NOTE	07/10/2015	.170	.170	15,061,000.00	15,046,562.36	99.988000	15,059,192.68	12,630.32	.194	.195
313312MT4	FFCB DISC NOTE	10/09/2015	.140	.140	20,000,000.00	19,982,888.89	99.964000	19,992,800.00	9,911.11	.443	.444
3133EEC40	FFCB DISC NOTE	06/24/2016	.350	.013	25,000,000.00	24,996,250.00	99.964000	24,991,000.00	-5,250.00	1.152	1.153
3133EEC40	FFCB DISC NOTE	06/24/2016	.350	.015	25,000,000.00	24,995,500.00	99.964000	24,991,000.00	-4,500.00	1.152	1.153
			.172	**.088**	**200,061,000.00**	**199,954,419.29**	**99.984176**	**200,029,342.68**	**74,923.39**	**.405**	**.406**
FFCB BONDS											
31331KHV5	FFCB 5Yr	04/20/2016	.251	.301	10,000,000.00	9,995,000.00	100.117000	10,011,700.00	16,700.00	.971	.975
3133EANJ3	FFCB 3Yr	05/01/2015	.500	.520	5,000,000.00	4,997,000.00	100.000000	5,000,000.00	3,000.00	.003	.003
3133ECBA1	FFCB 2.5Yr	07/24/2015	.222	.327	15,000,000.00	14,996,061.75	100.024000	15,003,600.00	7,538.25	.233	.233
3133EDAL6	FFCB 1.75Yr	08/25/2015	.280	.280	15,000,000.00	15,000,000.00	100.057000	15,008,550.00	8,550.00	.320	.321
3133EDBK7	FFCB 3YrNC1YrA	12/09/2016	.680	.731	5,000,000.00	4,992,500.00	99.860000	4,993,000.00	500.00	1.592	1.614
3133EDEK4	FFCB 1Yr	09/10/2015	.250	.270	10,000,000.00	9,996,800.00	100.048000	10,004,800.00	8,000.00	.364	.364
3133EDG63	FFCB 2Yr	03/03/2016	.375	.370	10,000,000.00	10,001,000.00	100.041000	10,004,100.00	3,100.00	.839	.844
3133EDGB2	FFCB 1.25Yr	06/04/2015	.190	.193	15,000,000.00	14,999,475.00	100.006000	15,000,900.00	1,425.00	.096	.096
3133EANJ3	FFCB 1.25Yr	05/01/2015	.500	.178	15,000,000.00	15,055,545.00	100.000000	15,000,000.00	-55,545.00	.003	.003
3133EDGB2	FFCB 1.25Yr	06/04/2015	.190	.188	20,000,000.00	20,000,600.00	100.006000	20,001,200.00	600.00	.096	.096
3133EDGB2	FFCB 1.25Yr	06/04/2015	.190	.190	15,000,000.00	15,000,000.00	100.006000	15,000,900.00	900.00	.096	.096
3133EDES7	FFCB 1Yr	06/10/2015	.230	.225	15,000,000.00	15,000,900.00	100.012000	15,001,800.00	900.00	.112	.112
3133EDGB2	FFCB 1.25Yr	06/04/2015	.190	.162	15,000,000.00	15,004,770.00	100.006000	15,000,900.00	-3,870.00	.096	.096
3133EDKV3	FFCB 1Yr	05/01/2015	.130	.134	15,000,000.00	14,999,367.90	100.000000	15,000,000.00	632.10	.003	.003
3133EDFD9	FFCB 1.25Yr	05/14/2015	.190	.190	33,150,000.00	33,150,000.00	100.001000	33,150,331.50	331.50	.038	.038
3133EDQ70	FFCB 1Yr	07/09/2015	.150	.163	10,000,000.00	9,998,700.00	100.004000	10,000,400.00	1,700.00	.191	.192
3133EDRV6	FFCB 1Yr	08/04/2015	.190	.190	25,000,000.00	25,000,000.00	99.994000	24,998,500.00	-1,500.00	.263	.263
3133EDTB8	FFCB 1Yr	08/21/2015	.180	.180	25,000,000.00	25,000,000.00	100.024000	25,006,000.00	6,000.00	.309	.310
3133EDKW1	FFCB 1.25Yr	08/05/2015	.180	.172	4,000,000.00	4,000,262.00	100.013000	4,000,520.00	258.00	.265	.266
3133EDWP3	FFCB 1Yr	10/01/2015	.190	.198	20,000,000.00	19,998,400.00	100.016000	20,003,200.00	4,800.00	.421	.422
3133EDXQ0	FFCB 5Yr	10/10/2019	.251	.251	15,000,000.00	15,000,000.00	99.960000	14,994,000.00	-6,000.00	4.422	4.449
3133EDXQ0	FFCB 5Yr	10/10/2019	.251	.251	25,000,000.00	25,000,000.00	99.960000	24,990,000.00	-10,000.00	4.422	4.449

CUSIP	Description	Maturity Date	Coupon	Yield To Maturity	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
3133EDN40	FFCB 1.25Yr	01/11/2016	.270	.218	25,000,000.00	25,016,250.00	100.018000	25,004,500.00	-11,750.00	.696	.701
3133EDXQ0	FFCB 5Yr	10/10/2019	.251	.256	10,000,000.00	9,997,560.00	99.960000	9,996,000.00	-1,560.00	4.421	4.449
3133EDZX3	FFCB 1.25Yr	01/29/2016	.230	.250	10,000,000.00	9,997,500.00	99.954000	9,995,400.00	-2,100.00	.746	.751
3133EDZX3	FFCB 1.25Yr	01/29/2016	.230	.250	15,000,000.00	14,996,250.00	99.954000	14,993,100.00	-3,150.00	.746	.751
3133EDZX3	FFCB 1.25Yr	01/29/2016	.230	.230	25,000,000.00	25,000,000.00	99.954000	24,988,500.00	-11,500.00	.746	.751
3133EEEC0	FFCB 1Yr	01/04/2016	.220	.220	25,000,000.00	25,000,000.00	99.978000	24,994,500.00	-5,500.00	.676	.682
3133EDZ47	FFCB 1Yr	01/22/2016	.230	.230	15,070,000.00	15,070,000.00	99.999000	15,069,849.30	-150.70	.726	.732
3133EEKU3	FFCB 1Yr	01/21/2016	.240	.240	25,000,000.00	25,000,000.00	99.927000	24,981,750.00	-18,250.00	.724	.729
3133EEMS6	FFCB 1.25Yr	05/06/2016	.350	.350	25,000,000.00	25,000,000.00	99.997000	24,999,250.00	-750.00	1.012	1.019
3133EENK2	FFCB 1Yr	02/09/2016	.250	.250	10,000,000.00	10,000,000.00	99.933000	9,993,300.00	-6,700.00	.773	.781
3133EEMG2	FFCB 1Yr	02/02/2016	.250	.274	5,250,000.00	5,248,766.25	99.943000	5,247,007.50	-1,758.75	.754	.762
3133ECP99	FFCB 3YrNcYr1C	05/13/2016	.375	.375	10,000,000.00	10,000,000.00	100.004000	10,000,400.00	400.00	1.031	1.038
3133EDSR4	FFCB 1Yr	05/13/2016	.400	.350	12,296,000.00	12,303,807.96	100.023000	12,298,828.08	-4,979.88	1.032	1.038
3133EEMS6	FFCB 1.25Yr	05/06/2016	.350	.350	25,000,000.00	25,000,000.00	99.997000	24,999,250.00	-750.00	1.012	1.019
3133EENE6	FFCB 3Yr	01/09/2018	.875	.957	5,000,000.00	4,988,250.00	99.699000	4,984,950.00	-3,300.00	2.648	2.699
3133EEPT1	FFCB 1Yr	02/17/2016	.320	.310	15,000,000.00	15,001,500.00	100.025000	15,003,750.00	2,250.00	.795	.803
3133EERB8	FFCB 1Yr	02/26/2016	.280	.280	15,000,000.00	15,000,000.00	99.988000	14,998,200.00	-1,800.00	.820	.827
3133EERB8	FFCB 1Yr	02/26/2016	.280	.294	10,000,000.00	9,998,600.00	99.988000	9,998,800.00	200.00	.820	.827
3133EESJ0	FFCB 1Yr	03/04/2016	.280	.280	15,000,000.00	15,000,000.00	99.974000	14,996,100.00	-3,900.00	.843	.847
3133EEVB3	FFCB 1.25Yr	06/27/2016	.500	.500	25,000,000.00	25,000,000.00	100.156000	25,039,000.00	39,000.00	1.152	1.162
3133EEMS6	FFCB 1.25Yr	05/06/2016	.350	.336	25,000,000.00	25,003,750.00	99.997000	24,999,250.00	-4,500.00	1.014	1.019
3133EEMS6	FFCB 1.25Yr	05/06/2016	.350	.329	25,000,000.00	25,005,750.00	99.997000	24,999,250.00	-6,500.00	1.014	1.019
3133EEZB9	FFCB 1.25Yr	09/16/2016	.450	.450	10,000,000.00	10,000,000.00	99.895000	9,989,500.00	-10,500.00	1.371	1.384
3133EEZR4	FFCB 2Yr	04/21/2017	.600	.600	10,000,000.00	10,000,000.00	99.818000	9,981,800.00	-18,200.00	1.960	1.978
3133EEC40	FFCB 1.25Yr	06/24/2016	.350	.376	12,000,000.00	11,996,400.00	99.964000	11,995,680.00	-720.00	1.145	1.153
			.283	**.278**	**741,766,000.00**	**741,810,765.86**	**99.994111**	**741,722,316.38**	**-88,449.48**	**.896**	**.902**
FMAC DISC NOTES											
31315KFL9	FAMCA DISC NOTE	05/11/2015	.130	.130	25,000,000.00	24,974,993.06	99.999000	24,999,750.00	24,756.94	.030	.030
31315KPH7	FAMCA DISC NOTE	11/16/2015	.195	.195	25,000,000.00	24,959,375.00	99.948000	24,987,000.00	27,625.00	.547	.548
31315KTF7	FAMCA DISC NOTE	02/18/2016	.320	.321	25,000,000.00	24,919,111.11	99.824000	24,956,000.00	36,888.89	.802	.805
			.215	**.215**	**75,000,000.00**	**74,853,479.17**	**99.923667**	**74,942,750.00**	**89,270.83**	**.459**	**.461**
FARMER MAC											
31315PQK8	FAMCA 3Yr	07/02/2015	.550	.587	10,000,000.00	9,989,000.00	100.041000	10,004,100.00	15,100.00	.172	.173
31315PYY9	FAMCA 3Yr	01/28/2016	.425	.425	5,000,000.00	5,000,000.00	99.992000	4,999,600.00	-400.00	.742	.748
31315PU49	FAMCA 1.25Yr	06/29/2015	.170	.170	25,000,000.00	25,000,000.00	100.007000	25,001,750.00	1,750.00	.164	.164
31315PJ75	FAMCA 1.5Yr	01/25/2016	.365	.370	25,000,000.00	24,998,000.00	100.062000	25,015,500.00	17,500.00	.734	.740
31315P2K4	FAMCA 3Yr	09/05/2017	1.120	1.120	8,850,000.00	8,850,000.00	100.726000	8,914,251.00	64,251.00	2.307	2.353
31315P5X3	FAMCA 5YrNc6MoB	11/04/2019	1.850	1.850	15,000,000.00	15,000,000.00	100.014000	15,002,100.00	2,100.00	4.270	4.518
31315PG60	FAMCA 5YrNc6MoB	12/02/2019	1.750	1.750	15,000,000.00	15,000,000.00	100.137000	15,020,550.00	20,550.00	4.360	4.595
31315PG60	FAMCA 5YrNc6MoB	12/02/2019	1.750	1.750	10,000,000.00	10,000,000.00	100.137000	10,013,700.00	13,700.00	4.360	4.595
31315PS42	FAMCA 5YrNc6MoB	12/10/2019	1.625	1.625	15,000,000.00	15,000,000.00	100.158000	15,023,700.00	23,700.00	4.398	4.616
31315PV48	FAMCA 5YrNc6MoB	12/23/2019	1.750	1.750	15,000,000.00	15,000,000.00	100.246000	15,036,900.00	36,900.00	4.418	4.652
31315P4Y2	FAMCA 5YrNc6MoB	01/06/2020	1.750	1.750	15,000,000.00	15,000,000.00	100.152000	15,022,800.00	22,800.00	4.454	4.690
31315P7E3	FAMCA 5YrNc6MoB	01/29/2020	1.600	1.600	10,000,000.00	10,000,000.00	99.931000	9,993,100.00	-6,900.00	4.536	4.753
31315P7L7	FAMCA 5YrNc3MoB	02/04/2020	1.550	1.550	10,000,000.00	10,000,000.00	99.913000	9,991,300.00	-8,700.00	4.556	4.770
31315PD71	FAMCA 5YrNc3MoB	02/04/2020	1.450	1.450	10,000,000.00	10,000,000.00	100.103000	10,010,300.00	10,300.00	4.569	4.770
31315PE54	FAMCA 5YrNc3MoB	02/04/2020	1.600	1.600	15,000,000.00	15,000,000.00	99.817000	14,972,550.00	-27,450.00	4.550	4.770
31315PT33	FAMCA 1Yr	05/24/2016	.400	.400	15,000,000.00	15,000,000.00	100.061000	15,009,150.00	9,150.00	1.062	1.068
31315PT90	FAMCA 1Yr	02/25/2016	.350	.350	20,000,000.00	20,000,000.00	99.962000	19,992,400.00	-7,600.00	.817	.825
31315P3F4	FAMCA 5YrNc6MoB	04/01/2020	1.800	1.800	15,000,000.00	15,000,000.00	99.656000	14,948,400.00	-51,600.00	4.681	4.926
3132X0AA9	FAMCA 5YrNc3MoB	04/20/2020	1.500	1.500	15,000,000.00	15,000,000.00	99.670000	14,950,500.00	-49,500.00	4.772	4.978
			1.160	**1.162**	**268,850,000.00**	**268,837,000.00**	**100.027023**	**268,922,651.00**	**85,651.00**	**2.973**	**3.111**
MUNI ZER0 CPNS											
91411US55	UC REGENTS	05/05/2015	.165	.165	35,000,000.00	34,981,391.67	99.998167	34,999,358.33	17,966.66	.014	.014
91411USC0	UC REGENTS	05/12/2015	.145	.145	22,480,000.00	22,469,315.76	99.995569	22,479,004.01	9,688.25	.033	.033
91411US89	UC REGENTS	05/08/2015	.150	.150	10,000,000.00	9,995,333.33	99.997083	9,999,708.33	4,375.00	.022	.022
91411US63	UC REGENTS	05/06/2015	.145	.145	15,000,000.00	14,994,018.75	99.997986	14,999,697.92	5,679.17	.016	.016
			.154	**.154**	**82,480,000.00**	**82,440,059.51**	**99.997295**	**82,477,768.59**	**37,709.08**	**.021**	**.021**
MUNI BONDS											
546415L73	LOUISIANA STATE	05/15/2016	.540	.540	12,070,000.00	12,070,000.00	100.000000	12,070,000.00	0.00	1.035	1.044
56052AXR2	MAINE STATE	06/01/2015	.200	.220	11,295,000.00	11,292,853.95	99.981000	11,292,853.95	0.00	.088	.088
882723PH6	TEXAS STATE	10/01/2015	.210	.210	12,465,000.00	12,465,000.00	100.000000	12,465,000.00	0.00	.421	.422
93974DHP6	WASHINGTON STATE	08/01/2015	.150	.230	8,335,000.00	8,327,915.25	99.915000	8,327,915.25	0.00	.254	.255
76914AAG7	COUNTY OF RIVERSIDE	10/14/2015	.350	.350	690,000.00	690,000.00	100.000000	690,000.00	0.00	.456	.458
			.287	**.307**	**44,855,000.00**	**44,845,769.20**	**99.979421**	**44,845,769.20**	**0.00**	**.472**	**.475**
COMM PAPER											
89233HSD7	TOYOTA MOTOR CORP	05/13/2015	.200	.200	20,000,000.00	19,986,666.67	99.995000	19,999,000.00	12,333.33	.036	.036
19121BSJ9	COCA-COLA CO	05/18/2015	.150	.150	20,000,000.00	19,989,583.33	99.992917	19,998,583.33	9,000.00	.049	.049
36959JSF1	GE CAPITAL CORP	05/15/2015	.170	.170	40,000,000.00	39,977,333.33	99.994167	39,997,666.67	20,333.34	.041	.041
89233HST2	TOYOTA MOTOR CORP	05/27/2015	.190	.190	45,000,000.00	44,971,737.50	99.989167	44,995,125.00	23,387.50	.074	.074
64105HT28	NESTLE	06/02/2015	.120	.120	30,000,000.00	29,987,700.00	99.986667	29,996,000.00	8,300.00	.090	.090
64105HT44	NESTLE	06/04/2015	.100	.100	20,000,000.00	19,993,333.33	99.985833	19,997,166.67	3,833.34	.096	.096
19121BTQ2	COCA-COLA CO	06/24/2015	.175	.175	21,500,000.00	21,485,577.16	99.977500	21,495,162.50	9,585.34	.150	.151
64105HTB8	NESTLE	06/11/2015	.120	.120	30,000,000.00	29,988,000.00	99.982917	29,994,875.00	6,875.00	.115	.115
64105HTF9	NESTLE	06/15/2015	.120	.120	30,000,000.00	29,987,800.00	99.981250	29,994,375.00	6,575.00	.126	.126
36959JTH6	GE CAPITAL CORP	06/17/2015	.170	.170	30,000,000.00	29,983,000.00	99.980417	29,994,125.00	11,125.00	.131	.132
64105HTH5	NESTLE	06/17/2015	.120	.120	30,000,000.00	29,988,000.00	99.980417	29,994,125.00	6,125.00	.131	.132
89233HTJ3	TOYOTA MOTOR CORP	06/18/2015	.180	.180	19,000,000.00	18,988,600.00	99.980000	18,996,200.00	7,600.00	.134	.134
64105HTP7	NESTLE	06/23/2015	.130	.130	30,000,000.00	29,986,566.67	99.977917	29,993,375.00	6,808.33	.148	.148
19121BSC4	COCA COLA CO	05/12/2015	.105	.105	21,000,000.00	20,995,283.75	99.995417	20,999,037.50	3,753.75	.033	.033
36959JSF1	GE CAPITAL CORP	05/15/2015	.140	.140	40,000,000.00	39,988,022.22	99.994167	39,997,666.67	9,644.45	.041	.041
89233HUE2	TOYOTA MOTOR CORP	07/14/2015	.150	.150	50,000,000.00	49,975,625.00	99.960944	49,980,472.22	4,847.22	.205	.205
36959JUN1	GE CAPITAL CORP	07/22/2015	.160	.160	25,000,000.00	24,986,111.11	99.956722	24,989,180.56	3,069.45	.227	.227
36959JV34	GE CAPITAL CORP	08/03/2015	.160	.160	30,000,000.00	29,984,133.33	99.945167	29,983,550.00	-583.33	.260	.260
89233HV68	TOYOTA MOTOR CORP	08/06/2015	.150	.150	30,000,000.00	29,985,000.00	99.943417	29,983,025.00	-1,975.00	.268	.268
19121BVB2	COCA-COLA CO	08/11/2015	.140	.140	50,000,000.00	49,975,888.89	99.940500	49,970,250.00	-5,638.89	.282	.282
19121BVA4	COCA-COLA CO	08/10/2015	.130	.130	29,000,000.00	28,987,747.50	99.941083	28,982,914.17	-4,833.33	.279	.279
64105HVJ8	NESTLE	08/18/2015	.120	.120	30,000,000.00	29,988,000.00	99.936417	29,980,925.00	-7,075.00	.301	.301
			.146	**.146**	**670,500,000.00**	**670,179,709.79**	**99.972081**	**670,312,800.29**	**133,090.50**	**.152**	**.152**
	Total Fund		**.410**	**.403**	**6,834,547,714.00**	**6,833,283,754.08**	**99.998797**	**6,834,465,478.09**	**1,181,724.01**	**1.016**	**1.043**
Grand Total			**.410**	**.403**	**6,834,547,714.00**	**6,833,283,754.08**	**99.998797**	**6,834,465,478.09**	**1,181,724.01**	**1.016**	**1.043**

Full Compliance

The Treasurer's Pooled Investment Fund was in **FULL COMPLIANCE** with the Treasurer's Statement of Investment Policy. The County's Investment Policy is more restrictive than the California Government Code. This policy is reviewed annually by the County's Investment Oversight Committee and approved by the County Board of Supervisors.

MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA	3 YEARS	15%	AA-/Aa3/AA-	**1.85%**
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	**6.37%**
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA	3 YEARS	2.5%	INVESTMENT GRADE	**0.01%**
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	100%	NA	**61.34%**
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	**9.81%**
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	**0.00%**
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7 days	A1/P1/F1	**3.66%**
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	**0.00%**
CALTRUST SHORT TERM FUND	NA	NA	NA	DAILY LIQUIDITY	1.0%	NA	**0.79%**
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS [1]	20%	AAA/Aaa [2]	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	**12.37%**
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	**3.80%**

[1] *Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 60 days.*
[2] *Or must have an investment advisor with not less than 5 years experience and with assets under management of $500,000,000.*

THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646

County of Riverside
Treasurer-Tax Collector
Capital Markets

4080 Lemon Street, 4th Floor
Riverside, CA 92502-2205

www.treasurer-tax.co.riverside.ca.us

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APPENDIX F

ACCRETED VALUES TABLE

BOND ACCRETED VALUE TABLE

Riverside Community College District
Election of 2004 General Obligation Bonds, Series 2015E

Date	Capital Appreciation Serial Bonds 08/01/2026 3.81%	Capital Appreciation Serial Bonds 08/01/2027 4.03%	Capital Appreciation Serial Bonds 08/01/2028 4.26%	Capital Appreciation Serial Bonds 08/01/2029 4.44%	Capital Appreciation Serial Bonds 08/01/2030 4.57%	Capital Appreciation Serial Bonds 08/01/2031 4.68%	Capital Appreciation Serial Bonds 08/01/2032 4.75%	Capital Appreciation Serial Bonds 08/01/2033 4.83%	Capital Appreciation Serial Bonds 08/01/2034 4.87%
07/01/2015	3,290.80	3,087.35	2,880.40	2,693.85	2,529.15	2,375.95	2,242.20	2,109.35	1,996.10
08/01/2015	3,301.15	3,097.65	2,890.55	2,703.70	2,538.70	2,385.15	2,251.00	2,117.75	2,004.15
02/01/2016	3,364.05	3,160.05	2,952.10	2,763.75	2,596.70	2,440.95	2,304.45	2,168.90	2,052.95
08/01/2016	3,428.15	3,223.70	3,015.00	2,825.10	2,656.00	2,498.05	2,359.15	2,221.30	2,102.90
02/01/2017	3,493.45	3,288.70	3,079.20	2,887.80	2,716.70	2,556.50	2,415.20	2,274.95	2,154.15
08/01/2017	3,560.00	3,354.95	3,144.80	2,951.90	2,778.80	2,616.35	2,472.55	2,329.85	2,206.60
02/01/2018	3,627.80	3,422.55	3,211.80	3,017.45	2,842.30	2,677.55	2,531.30	2,386.15	2,260.30
08/01/2018	3,696.90	3,491.50	3,280.20	3,084.45	2,907.25	2,740.20	2,591.40	2,443.75	2,315.35
02/01/2019	3,767.35	3,561.85	3,350.05	3,152.90	2,973.65	2,804.35	2,652.95	2,502.80	2,371.75
08/01/2019	3,839.10	3,633.65	3,421.40	3,222.90	3,041.60	2,869.95	2,715.95	2,563.20	2,429.50
02/01/2020	3,912.25	3,706.85	3,494.30	3,294.45	3,111.10	2,937.10	2,780.45	2,625.10	2,488.65
08/01/2020	3,986.75	3,781.55	3,568.75	3,367.60	3,182.20	3,005.85	2,846.50	2,688.50	2,549.25
02/01/2021	4,062.70	3,857.75	3,644.75	3,442.35	3,254.90	3,076.20	2,914.10	2,753.45	2,611.30
08/01/2021	4,140.10	3,935.50	3,722.40	3,518.80	3,329.30	3,148.15	2,983.30	2,819.95	2,674.90
02/01/2022	4,219.00	4,014.80	3,801.65	3,596.90	3,405.35	3,221.85	3,054.20	2,888.05	2,740.05
08/01/2022	4,299.35	4,095.70	3,882.65	3,676.75	3,483.20	3,297.25	3,126.70	2,957.80	2,806.75
02/01/2023	4,381.25	4,178.20	3,965.35	3,758.40	3,562.75	3,374.40	3,200.95	3,029.20	2,875.10
08/01/2023	4,464.70	4,262.40	4,049.80	3,841.80	3,644.20	3,453.35	3,277.00	3,102.40	2,945.10
02/01/2024	4,549.80	4,348.30	4,136.05	3,927.10	3,727.45	3,534.15	3,354.85	3,177.30	3,016.85
08/01/2024	4,636.45	4,435.90	4,224.15	4,014.30	3,812.60	3,616.85	3,434.50	3,254.05	3,090.30
02/01/2025	4,724.80	4,525.30	4,314.15	4,103.40	3,899.75	3,701.50	3,516.10	3,332.60	3,165.55
08/01/2025	4,814.80	4,616.50	4,406.05	4,194.50	3,988.85	3,788.10	3,599.60	3,413.10	3,242.60
02/01/2026	4,906.50	4,709.50	4,499.90	4,287.60	4,080.00	3,876.75	3,685.05	3,495.55	3,321.60
08/01/2026	5,000.00	4,804.40	4,595.75	4,382.80	4,173.25	3,967.45	3,772.60	3,579.95	3,402.45
02/01/2027		4,901.20	4,693.60	4,480.10	4,268.60	4,060.30	3,862.20	3,666.40	3,485.30
08/01/2027		5,000.00	4,793.60	4,579.55	4,366.10	4,155.30	3,953.90	3,754.95	3,570.20
02/01/2028			4,895.70	4,681.25	4,465.90	4,252.55	4,047.85	3,845.65	3,657.10
08/01/2028			5,000.00	4,785.15	4,567.95	4,352.05	4,143.95	3,938.50	3,746.15
02/01/2029				4,891.40	4,672.30	4,453.90	4,242.40	4,033.60	3,837.40
08/01/2029				5,000.00	4,779.05	4,558.10	4,343.15	4,131.05	3,930.80
02/01/2030					4,888.30	4,664.80	4,446.30	4,230.80	4,026.55
08/01/2030					5,000.00	4,773.95	4,551.90	4,332.95	4,124.60
02/01/2031						4,885.65	4,660.00	4,437.60	4,225.00
08/01/2031						5,000.00	4,770.70	4,544.80	4,327.90
02/01/2032							4,884.00	4,654.55	4,433.30

BOND ACCRETED VALUE TABLE

Riverside Community College District
Election of 2004 General Obligation Bonds, Series 2015E

Date	Capital Appreciation Serial Bonds 08/01/2026 3.81%	Capital Appreciation Serial Bonds 08/01/2027 4.03%	Capital Appreciation Serial Bonds 08/01/2028 4.26%	Capital Appreciation Serial Bonds 08/01/2029 4.44%	Capital Appreciation Serial Bonds 08/01/2030 4.57%	Capital Appreciation Serial Bonds 08/01/2031 4.68%	Capital Appreciation Serial Bonds 08/01/2032 4.75%	Capital Appreciation Serial Bonds 08/01/2033 4.83%	Capital Appreciation Serial Bonds 08/01/2034 4.87%
08/01/2032							5,000.00	4,766.95	4,541.25
02/01/2033								4,882.05	4,651.80
08/01/2033								5,000.00	4,765.10
02/01/2034									4,881.10
08/01/2034									5,000.00
02/01/2035									
08/01/2035									
02/01/2036									
08/01/2036									
02/01/2037									
08/01/2037									
02/01/2038									
08/01/2038									
02/01/2039									
08/01/2039									

BOND ACCRETED VALUE TABLE

Riverside Community College District
Election of 2004 General Obligation Bonds, Series 2015E

Date	Capital Appreciation Serial Bonds 08/01/2035 4.91%	Capital Appreciation Serial Bonds 08/01/2036 4.95%	Capital Appreciation Serial Bonds 08/01/2037 4.99%	Capital Appreciation Serial Bonds 08/01/2038 5.02%	Capital Appreciation Serial Bonds 08/01/2039 5.05%
07/01/2015	1,887.50	1,783.35	1,683.70	1,591.90	1,504.30
08/01/2015	1,895.15	1,790.65	1,690.60	1,598.50	1,510.55
02/01/2016	1,941.65	1,834.95	1,732.80	1,638.65	1,548.70
08/01/2016	1,989.30	1,880.40	1,776.05	1,679.75	1,587.80
02/01/2017	2,038.15	1,926.95	1,820.35	1,721.95	1,627.90
08/01/2017	2,088.20	1,974.60	1,865.75	1,765.15	1,669.00
02/01/2018	2,139.45	2,023.50	1,912.30	1,809.45	1,711.15
08/01/2018	2,192.00	2,073.55	1,960.05	1,854.90	1,754.35
02/01/2019	2,245.80	2,124.90	2,008.95	1,901.45	1,798.65
08/01/2019	2,300.95	2,177.50	2,059.05	1,949.15	1,844.05
02/01/2020	2,357.40	2,231.40	2,110.45	1,998.10	1,890.60
08/01/2020	2,415.30	2,286.60	2,163.10	2,048.25	1,938.35
02/01/2021	2,474.60	2,343.20	2,217.05	2,099.65	1,987.30
08/01/2021	2,535.35	2,401.20	2,272.35	2,152.35	2,037.50
02/01/2022	2,597.60	2,460.65	2,329.05	2,206.40	2,088.90
08/01/2022	2,661.35	2,521.55	2,387.20	2,261.75	2,141.65
02/01/2023	2,726.70	2,583.95	2,446.75	2,318.55	2,195.75
08/01/2023	2,793.65	2,647.90	2,507.80	2,376.70	2,251.20
02/01/2024	2,862.20	2,713.45	2,570.35	2,436.40	2,308.05
08/01/2024	2,932.50	2,780.60	2,634.50	2,497.55	2,366.30
02/01/2025	3,004.50	2,849.40	2,700.20	2,560.20	2,426.05
08/01/2025	3,078.25	2,919.95	2,767.60	2,624.50	2,487.30
02/01/2026	3,153.80	2,992.20	2,836.65	2,690.35	2,550.15
08/01/2026	3,231.25	3,066.25	2,907.40	2,757.90	2,614.50
02/01/2027	3,310.55	3,142.15	2,979.95	2,827.10	2,680.55
08/01/2027	3,391.85	3,219.90	3,054.30	2,898.05	2,748.20
02/01/2028	3,475.10	3,299.60	3,130.50	2,970.80	2,817.60
08/01/2028	3,560.45	3,381.25	3,208.60	3,045.40	2,888.75
02/01/2029	3,647.85	3,464.95	3,288.70	3,121.80	2,961.70
08/01/2029	3,737.40	3,550.70	3,370.75	3,200.20	3,036.50
02/01/2030	3,829.15	3,638.60	3,454.85	3,280.50	3,113.15
08/01/2030	3,923.15	3,728.65	3,541.05	3,362.85	3,191.75
02/01/2031	4,019.45	3,820.95	3,629.40	3,447.25	3,272.35
08/01/2031	4,118.15	3,915.50	3,719.95	3,533.80	3,355.00
02/01/2032	4,219.25	4,012.40	3,812.75	3,622.50	3,439.70

BOND ACCRETED VALUE TABLE

Riverside Community College District
Election of 2004 General Obligation Bonds, Series 2015E

Date	Capital Appreciation Serial Bonds 08/01/2035 4.91%	Capital Appreciation Serial Bonds 08/01/2036 4.95%	Capital Appreciation Serial Bonds 08/01/2037 4.99%	Capital Appreciation Serial Bonds 08/01/2038 5.02%	Capital Appreciation Serial Bonds 08/01/2039 5.05%
08/01/2032	4,322.85	4,111.70	3,907.85	3,713.40	3,526.55
02/01/2033	4,428.95	4,213.50	4,005.35	3,806.60	3,615.60
08/01/2033	4,537.70	4,317.75	4,105.30	3,902.15	3,706.90
02/01/2034	4,649.10	4,424.65	4,207.75	4,000.10	3,800.50
08/01/2034	4,763.25	4,534.15	4,312.70	4,100.50	3,896.45
02/01/2035	4,880.15	4,646.35	4,420.30	4,203.45	3,994.85
08/01/2035	5,000.00	4,761.35	4,530.60	4,308.95	4,095.70
02/01/2036		4,879.20	4,643.65	4,417.10	4,199.15
08/01/2036		5,000.00	4,759.50	4,527.95	4,305.15
02/01/2037			4,878.25	4,641.60	4,413.85
08/01/2037			5,000.00	4,758.10	4,525.30
02/01/2038				4,877.55	4,639.60
08/01/2038				5,000.00	4,756.75
02/01/2039					4,876.85
08/01/2039					5,000.00