Financial Statements
June 30, 2023

Riverside Community College District

eidebailly.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the remaining fund information of the Riverside Community College District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the remaining fund information of the Riverside Community College District (the District), as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 13 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and other required supplementary schedules as listed in the table of contents on pages 61 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of content are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
November 28, 2023

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, 2023. 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, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

The District's primary funding source is apportionment received from the State of California through the Student Centered Funding Formula (SCFF). Apportionment funding through the SCFF is based on 70% for Full-Time Equivalent Students (FTES), 20% for Supplemental metrics, and 10% for Student Success metrics. During the 2022-2023 fiscal year, total reported FTES were 27,302 as compared to 24,922 in the 2021-2022 fiscal year. The District elected to participate in the state Emergency Conditions Allowance (ECA) program to protect a decline in apportionment revenue resulting from the loss of FTES during the COVID-19 Pandemic. The District is able to utilize pre-pandemic FTES from FY 2019-2020 in each of the years comprising the 3-year average calculation of FTES apportionment. The enrollment decline from FY 2019-2020 through FY 2021-2022 was 6,652 FTES or 21.07%. For FY 2022-2023, the District reported actual FTES of 27,302 but was funded at 30,558.

The District participated in the state ECA program for FY 2022-2023, complying with new participation requirements including: preparation of an Emergency Conditions Recovery Plan; incentivizing and prioritizing participation in professional development to enhance the quality of online instruction; ensuring membership in CVC-OEI and signing a Master Consortium Agreement; becoming a Home College; on-time submission of all MIS data; and adopting a reserve balance policy in substantial conformity to the recommendations contained in the Government Finance Officers Association Budgeting Best Practices.

Several scheduled maintenance projects at the District and its three colleges resulted in building and site improvements totaling $9,214,555 in fiscal year 2022-2023. Additionally, the District and its three colleges received $17,309,312 primarily for Riverside City College Life Science/Physical Science and Norco Center for Health Performance & Kinesiology and SB169 Affordable Student Housing project during 2022-2023.

The completed facility project, listed below, is primarily funded through the Physical Plant and Instructional Support allocation from the State, the District's voters approved General Obligation Bond (Measure C), and one-time budget savings allocations.

Ben Clark Training Center and Education Building – Moreno Valley College

Employee salaries increased by 10.95% or $19.5 million from the 2021-2022 fiscal year and employee benefits increased by 45.78% or $22.2 million. The increase in salaries is primarily due to a COLA increase of 6.56 percent; scheduled salary step increases; employee reclassifications. The increase in benefit costs is due to the significant increase in the District's OPEB and pension liabilities. The pension liabilities were measured as of June 30, 2022 and the increase is due to lower than anticipated investment returns. This liability increase offset the decrease that was reported in 2021-2022.

During the 2022-2023 fiscal year, the District provided approximately $79.0 million in federal and state financial aid to students, representing a decrease of 28.12% over the $109.9 million in fiscal year 2021-2022. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below. The District received Federal COVID-19 funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Federal Pell Grant Program (PELL)	$ 44,496,401
Federal Supplement Education Opportunity Grant (FSEOG)	1,478,147
Federal Direct Student Loans (Direct Loans)	2,032,672
Federal Work-Study Program (FWS)	1,111,902
COVID-19 Higher Education Emergency Relief Funds - Student Aid Portion	3,489,884
State of California Cal Grants B	6,755,270
California Community College Promise Grant	19,600,520
Total federal and state financial aid provided to students	$ 78,964,796

THE DISTRICT AS A WHOLE

Net Position

	2023	2022, as restated	Change
Assets			
Cash and investments	$ 379,459,327	$ 242,869,370	$ 136,589,957
Receivables, net	62,928,710	39,889,391	23,039,319
Other current assets	187,736	340,469	(152,733)
Capital assets and right-to-use subscription IT assests, net	424,548,292	410,481,224	14,067,068
Total assets	867,124,065	693,580,454	173,543,611
Deferred Outflows of Resources	135,676,350	126,596,049	9,080,301
Liabilities			
Accounts payable and accrued liabilities	230,587,246	123,133,925	107,453,321
Current portion of long-term liabilities	15,145,695	15,525,732	(380,037)
Noncurrent portion of long-term liabilities	673,238,925	561,645,527	111,593,398
Total liabilities	918,971,866	700,305,184	218,666,682
Deferred Inflows of Resources	39,730,787	119,028,403	(79,297,616)
Net Position			
Net investment in capital assets	155,544,660	137,341,787	18,202,873
Restricted	66,015,680	44,286,801	21,728,879
Unrestricted deficit	(177,462,578)	(180,785,672)	3,323,094
Total net position	$ 44,097,762	$ 842,916	$ 43,254,846

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

Operating Results for the Year

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

	2023	2022	Change
Operating Revenues			
Tuition and fees, net	$ 15,692,983	$ 16,864,105	$ (1,171,122)
Grants and contracts, noncapital	112,547,330	123,316,669	(10,769,339)
Total operating revenues	128,240,313	140,180,774	(11,940,461)
Operating Expenses			
Salaries and benefits	268,763,318	226,988,877	41,774,441
Supplies, services, equipment, and maintenance	87,679,383	107,135,201	(19,455,818)
Student financial aid	84,455,155	101,072,573	(16,617,418)
Depreciation and amortization	23,640,428	19,591,020	4,049,408
Total operating expenses	464,538,284	454,787,671	9,750,613
Operating loss	(336,297,971)	(314,606,897)	(21,691,074)
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	162,336,949	144,226,929	18,110,020
Property taxes	90,099,212	79,970,346	10,128,866
Student financial aid grants	77,051,760	91,329,510	(14,277,750)
State revenues	11,446,518	10,918,077	528,441
Net interest expense	(4,551,581)	(13,061,997)	8,510,416
Other nonoperating revenues	15,697,299	12,398,375	3,298,924
Total nonoperating revenues (expenses)	352,080,157	325,781,240	26,298,917
Other Revenues (Losses)			
State capital income	27,472,660	3,533,991	23,938,669
Loss on disposal of assets	-	(4,781)	4,781
Total other revenues (losses)	27,472,660	3,529,210	23,943,450
Change in net position	$ 43,254,846	$ 14,703,553	$ 28,551,293

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in total for the fiscal year 2022-2023. Property taxes levied and received from property within the District's boundaries increased during the year.

Grant and contract revenues relate primarily to student financial aid and to specific Federal and State grants received for programs to serve the students of the District. These grant and program revenues are restricted to allowable expenses related to the programs. The District received additional Federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. District received CARES I funding of $55.9 million that was for direct student aid, CARES II funding of $79.1 million for institutional aid, and CARES III funding of $7.5 million for minority serving institutions.

During 2022-2023, the District's net investment income was $5.2 million and interest expense was $9.8 million. Interest income is primarily derived from cash held in the Riverside County Treasury and the recognition of the unrealized fair market value of those funds. Investment income has increased approximately $8.9 million from the 2021-2022 fiscal year primarily due higher interest rates offered by the Riverside County Treasury Investment Pool.

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

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 121,062,460	$ 6,310,901	$ -	$ 619,589	$ -	$ 127,992,950
Instructional administration	36,189,542	22,333,401	-	164,207	-	58,687,150
Instructional support services	5,985,996	278,489	-	127,647	-	6,392,132
Student services	42,393,543	5,871,496	-	56,407	-	48,321,446
Plant operations and maintenance	11,465,812	8,781,003	-	133,472	-	20,380,287
Planning, policymaking and coordination	7,402,235	4,268,575	-	(213,126)	-	11,457,684
Institutional support services	29,815,415	25,085,866	-	1,431,516	-	56,332,797
Community services	2,987,388	646,581	-	8,182	-	3,642,151
Ancillary services and auxiliary operations	11,431,468	4,963,545	-	585,061	-	16,980,074
Physical property and related acquisitions	29,459	535,191	-	5,691,380	-	6,256,030
Student aid	-	-	84,455,155	-	-	84,455,155
Unallocated depreciation and amortization	-	-	-	-	23,640,428	23,640,428
Total	$ 268,763,318	$ 79,075,048	$ 84,455,155	$ 8,604,335	$ 23,640,428	$ 464,538,284

Changes in Cash Position

	2023	2022	Change
Net Cash Flows from			
Operating activities	$ (212,786,999)	$ (260,081,821)	$ 47,294,822
Noncapital financing activities	329,779,974	316,664,945	13,115,029
Capital financing activities	19,398,631	(14,276,152)	33,674,783
Investing activities	198,351	(3,444,928)	3,643,279
Net Increase in Cash and Cash Equivalents	136,589,957	38,862,044	97,727,913
Cash and Cash Equivalents, Beginning of Year	242,869,370	204,007,326	38,862,044
Cash and Cash Equivalents, End of Year	$ 379,459,327	$ 242,869,370	$ 136,589,957

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

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

CAPITAL ASSETS, RIGHT-TO-USE SUBSCRIPTION IT ASSETS, AND LONG-TERM LIABILITIES

Capital Assets and Right-to-Use Subscription IT Assets

At June 30, 2023, the District had $708.9 million in a broad range of capital assets, right-to-use subscription IT assets, including land, buildings, furniture and equipment. At June 30, 2023, the District's net capital and right-to-use subscription IT assets were $424.5 million. Major capital improvement projects are ongoing throughout the District. These projects are primarily funded through Physical Plant and Instructional Support and District General Obligation Bonds. Projects are accounted for within the Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be recorded to the depreciable Buildings and Improvement category.

Note 6 in the financial statements provides additional information on capital assets and right-to-use subscription IT assets. A summary of capital assets and right-to-use subscription IT assets is presented below.

	2023	2022, as restated	Net Change
Land and construction in progress	$ 52,352,871	$ 41,099,818	$ 11,253,053
Buildings and improvements	581,038,319	562,913,244	18,125,075
Furniture and equipment	66,269,532	61,692,699	4,576,833
Right-to-use subscription IT assets	9,239,839	6,620,627	2,619,212
Subtotal	708,900,561	672,326,388	36,574,173
Accumulated depreciation and amortization	(284,352,269)	(261,845,164)	(22,507,105)
Total capital assets and right-to-use subscription IT assets, net	$ 424,548,292	$ 410,481,224	$ 14,067,068

Long-Term Liabilities including OPEB and Pensions

Long-term liabilities consist primarily of general obligation bonds, aggregate net pension liability, and the aggregate net other postemployment benefits (OPEB) liability. At the end of the 2022-2023 fiscal year, the District had $309.0 million in general obligation bonds outstanding, including premium. These bonds are repaid in annual installments, in accordance with the obligation requirements for each debt issuance, by way of property tax assessments on property within the District's boundaries. At June 30, 2023, the District's aggregate net pension liability was $242.3 million and the aggregate net other postemployment benefits (OPEB) liability was $88.3 million.

Notes 7-10 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023
General obligation bonds	$ 320,451,499	$ 390,128	$ (11,847,283)	$ 308,994,344
Certificates of participation	-	25,507,248	(15,146)	25,492,102
Aggregate net OPEB liability	83,450,617	4,827,351	-	88,277,968
Aggregate net pension liability	151,725,232	90,598,114	-	242,323,346
Subscription-based IT arrangements	4,017,557	2,619,212	(2,706,530)	3,930,239
Other liabilities	17,526,354	1,840,267	-	19,366,621
Total long-term liabilities	$ 577,171,259	$ 125,782,320	$ (14,568,959)	$ 688,384,620
Amount due within one year				$ 15,145,695

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District's Board of Trustees approves revisions to the adopted budget to provide for unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2022-2023 fiscal year on June 20, 2023.

The District's final revised budget for the unrestricted resource of the General Fund anticipated that expenditures would exceed revenues by $49.9 million. The actual results for the year showed expenditures below revenue by $6.6 million. The total CARES revenue recovery recorded in Fiscal Year 2022-23 was $5.9 million. COVID-19 continued to negatively impact the financial performance of the following resources during FY 2022-23: parking services, health services, Performance Riverside, bookstore, food operations, and childcare services.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT

For Fiscal 2024, the lingering impact of the COVID-19 Pandemic continues to influence enrollment within the District. During FY 2022-23, the District successfully recovered 10.63% of the 21.28% of enrollment decline experienced during the pandemic. It is anticipated that the District is poised to recover an additional 8.60% in FY 2023-24, with the remaining portion expected to be recovered during FY 2024-25. The combined enrollment numbers for Summer and Fall 2023 reached 98% of targeted enrollment. This result aligns with enhanced marketing efforts, outreach initiatives, and the expansion of online and short-term instructional offerings. These strategic responses have positively influenced student demand, contributing to meeting the enrollment targets set for FY 2023-24.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Assets	
Cash and cash equivalents	$ 32,048,337
Investments	347,410,990
Accounts receivable	59,726,944
Student receivables, net	3,201,766
Prepaid expenses	156,861
Inventories	30,875
Capital assets and right-to-use subscription IT assets	
Nondepreciable capital assets	52,352,871
Depreciable capital assets, net of depreciation	368,140,131
Right-to-use subscription IT assets, net of accumulated amortization	4,055,290
Total capital assets and right-to-use subscription IT assets, net	424,548,292
Total assets	867,124,065
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	26,955,062
Deferred outflows of resources related to OPEB	30,162,203
Deferred outflows of resources related to pensions	78,559,085
Total deferred outflows of resources	135,676,350
Liabilities	
Accounts payable	59,319,800
Accrued interest payable	3,406,804
Unearned revenue	167,860,642
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	15,145,695
Long-term liabilities other than OPEB and pensions, due in more than one year	342,637,611
Aggregate net other postemployment benefits (OPEB) liability	88,277,968
Aggregate net pension liability	242,323,346
Total liabilities	918,971,866
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	17,228,270
Deferred inflows of resources related to pensions	22,502,517
Total deferred inflows of resources	39,730,787
Net Position	
Net investment in capital assets	155,544,660
Restricted for	
Debt service	29,262,195
Capital projects	14,670,020
Educational programs	15,915,360
Other activities	6,168,105
Unrestricted deficit	(177,462,578)
Total net position	$ 44,097,762

Operating Revenues	
Tuition and fees	$ 35,293,503
Less: Scholarship discounts and allowances	(19,600,520)
Net tuition and fees	15,692,983
Grants and contracts, noncapital	
Federal	37,886,622
State	74,015,603
Local	645,105
Total grants and contracts, noncapital	112,547,330
Total operating revenues	128,240,313
Operating Expenses	
Salaries	197,962,934
Employee benefits	70,800,384
Supplies, materials, and other operating expenses and services	79,075,048
Student financial aid	84,455,155
Equipment, maintenance, and repairs	8,604,335
Depreciation and amortization	23,640,428
Total operating expenses	464,538,284
Operating Loss	(336,297,971)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	162,336,949
Local property taxes, levied for general purposes	68,458,149
Taxes levied for other specific purposes	21,641,063
Federal and State financial aid grants	77,051,760
State taxes and other revenues	11,446,518
Investment income	5,116,952
Interest expense on capital related debt	(9,767,187)
Investment income on capital asset-related debt, net	98,654
Other nonoperating revenue	15,697,299
Total nonoperating revenues (expenses)	352,080,157
Income Before Other Revenues	15,782,186
Other Revenues	
State revenues, capital	27,472,660
Change In Net Position	43,254,846
Net Position, Beginning of Year, as Restated	842,916
Net Position, End of Year	$ 44,097,762

Operating Activities	
Tuition and fees	$ 15,265,422
Federal, state, and local grants and contracts, noncapital	204,277,241
Payments to or on behalf of employees	(262,616,253)
Payments to vendors for supplies and services	(85,258,254)
Payments to students for scholarships and grants	(84,455,155)
Net cash flows from operating activities	(212,786,999)
Noncapital Financing Activities	
State apportionments	159,438,394
Federal and state financial aid grants	77,051,760
Property taxes - nondebt related	66,330,203
State taxes and other apportionments	7,250,784
Other nonoperating	19,708,833
Net cash flows from noncapital financing activities	329,779,974
Capital Financing Activities	
Purchase of capital assets	(34,228,769)
Proceeds from capital debt	25,507,248
State revenue, capital	27,472,660
Property taxes - related to capital debt	21,641,063
Principal paid on capital debt	(12,661,530)
Interest paid on capital debt	(8,582,412)
Interest received on capital asset-related debt	250,371
Net cash flows from capital financing activities	19,398,631
Investing Activities	
Change in fair value of cash in county treasury	(7,676,352)
Interest received from investments	7,874,703
Net cash flows from investing activities	198,351
Change In Cash and Cash Equivalents	136,589,957
Cash and Cash Equivalents, Beginning of Year	242,869,370
Cash and Cash Equivalents, End of Year	$ 379,459,327

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (336,297,971)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	23,640,428
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables, net	5,755,194
Inventories	(2)
Prepaid expenses	152,735
Deferred outflows of resources related to OPEB	5,629,343
Deferred outflows of resources related to pensions	(17,430,304)
Accounts payable	2,248,306
Unearned revenue	85,547,156
Compensated absences	84,884
Load banking	230,833
Claims liability	1,524,550
Aggregate net OPEB liability	4,827,351
Aggregate net pension liability	90,598,114
Deferred inflows of resources related to OPEB	(2,736,777)
Deferred inflows of resources related to pensions	(76,560,839)
Total adjustments	123,510,972
Net cash flows from operating activities	$ (212,786,999)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 6,779,524
Cash with fiscal agent	25,268,813
Cash in county treasury	347,410,990
Total cash and cash equivalents	$ 379,459,327
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 2,720,660
Amortization of debt premiums	$ 1,892,283
Accretion of interest on capital appreciation bonds	$ 390,128
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 2,619,212

	Retiree OPEB Trust
Assets	
Investments	$ 3,837,751
Net Position	
Restricted for postemployment benefits other than pensions	$ 3,837,751

	Retiree OPEB Trust
Additions	
District contributions	$ 2,725,558
Interest and investment income, net of fees	334,917
Total additions	3,060,475
Deductions	
Benefit payments	2,330,000
Administrative expenses	4,057
Total deductions	2,334,057
Change in Net Position	726,418
Net Position - Beginning of Year	3,111,333
Net Position - End of Year	$ 3,837,751

Note 1 - Organization

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

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

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

- Riverside Community College District Development Corporation

The Riverside Community College District Development Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to provide financing and acquire assets for the District. A majority of the Corporation's Board of Directors either serves by reason of their position in the District or is appointed by the District's Board of Trustees. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. 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, 2023, is as follows:

Condensed Statement of Net Position

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

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

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. 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 promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

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

Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool is not required to be categorized within the fair value hierarchy.

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 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 $1,738,006 for the year ended June 30, 2023.

Prepaid Expenses

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

Inventories

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

Capital Assets and Depreciation

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

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

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2023.

Right-to-use Subscription IT Assets and Amortization

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

Compensated Absences and Load Banking

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

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Subscription-based IT Arrangements

The District recognizes a subscription-based IT arrangement liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. The District measures the subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT arrangement liability is reduced by the principal portion of subscription payments made. The right-to-use subscription IT asset is initially measured as the initial amount of the subscription-based IT arrangement liability, plus certain initial direct costs. Subsequently, the right-to-use subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from two to four years.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, bond premiums, certifications of participation (COPs), COP premiums, subscription-based IT arrangements, compensated absences, load banking, claims liability, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, right-to-use subscription IT assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $66,015,680 of restricted net position, and the fiduciary funds financial statements report $3,837,751 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

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

- **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

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

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

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

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are usually made in February of the subsequent year and are recorded in the District’s financial records when received. 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.

Scholarship Discounts and Allowances

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

Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards.*

Estimates

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

Interfund Activity

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 primary government 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.

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 primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Change in Accounting Principles

Implementation of GASB Statement No. 91

As of July 1, 2022, the District adopted GASB Statement No. 91*, Conduit Debt Obligations*. The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The implementation of this standard eliminates the option for issuers of conduit debt to recognize a liability for this debt on their financial statements. In addition, it requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 94

As of July 1, 2022, the District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The implementation of this standard establishes standards of accounting and financial reporting for PPPs and APAs. The standard requires recognition of an asset, receivable, and deferred inflow of resources. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 13 and the additional disclosures required by this standard are included in Notes 6 and 7.

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 6,709,524	$ -
Cash in revolving	70,000	-
Cash with fiscal agent	25,268,813	-
Investments	347,410,990	3,837,751
Total deposits and investments	$ 379,459,327	$ 3,837,751

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 Treasury Investment Pool and mutual funds.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Treasury Investment Pool is rated AAAf/S1 by Fitch Ratings and Aaa-bf by Moody's Investor Service as of June 30, 2023. The District's investments in Mutual Funds are not required to be rated, nor have they been rated as of June 30, 2023.

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

Investment Type	Fair Value	Weighted Average Maturity in Years	Credit Rating
Riverside County Treasury Investment Pool	$ 347,410,990	1.30	AAAf/S1
Mutual Funds	3,837,751	No maturity	Not rated
Total	$ 351,248,741		

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The 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% 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% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, the District had bank balances of approximately $31.3 million exposed to custodial credit risk because it was uninsured, but collateralized at 110% of balance over $250,000 with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2023, the District's investment balance of approximately $3.3 million was exposed to custodial credit risk because it exceeded Securities Investor Protection Corporation (SIPC) insurance of $500,000. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2023:

		Fair Value Measuements Using
Investment Type	Fair Value	Level 1 Inputs
Mutual funds	$ 3,837,751	$ 3,837,751

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2023, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 14,834,092
State Government	
Apportionment	21,715,483
Categorical aid	1,607,740
Lottery	2,047,911
Other state sources	9,332,533
Local Sources	
Interest	5,154,389
Property taxes	2,127,946
Other local sources	2,906,850
Total	$ 59,726,944
Student receivables	$ 4,939,772
Less: allowance for bad debt	(1,738,006)
Student receivables, net	$ 3,201,766

Note 6 - Capital Assets and Right-to-use Subscription IT Assets

Capital asset and right-to-use subscription IT asset activity for the District for the year ended June 30, 2023, was as follows:

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 31,668,033	$ 806,205	$ -	$ 32,474,238
Construction in progress	9,431,785	22,509,488	(12,062,640)	19,878,633
Total capital assets not being depreciated	41,099,818	23,315,693	(12,062,640)	52,352,871
Capital Assets Being Depreciated				
Land improvements	19,948,341	591,026	-	20,539,367
Buildings and improvements	542,964,903	17,534,049	-	560,498,952
Furniture and equipment	61,692,699	5,710,156	(1,133,323)	66,269,532
Total capital assets being depreciated	624,605,943	23,835,231	(1,133,323)	647,307,851
Total capital assets	665,705,761	47,150,924	(13,195,963)	699,660,722
Less Accumulated Depreciation				
Land improvements	(15,606,802)	(900,348)	-	(16,507,150)
Buildings and improvements	(193,857,532)	(15,681,714)	-	(209,539,246)
Furniture and equipment	(49,831,450)	(4,423,197)	1,133,323	(53,121,324)
Total accumulated depreciation	(259,295,784)	(21,005,259)	1,133,323	(279,167,720)
Net capital assets	406,409,977	26,145,665	(12,062,640)	420,493,002
Right-to-use Subscription IT Assets				
Right-to-use subscription IT assets	6,620,627	2,619,212	-	9,239,839
Accumulated amoritization	(2,549,380)	(2,635,169)	-	(5,184,549)
Net right-to-use subscription IT assets	4,071,247	(15,957)	-	4,055,290
Total capital assets and right-to-use subscription IT assets, net	$410,481,224	$ 26,129,708	$ (12,062,640)	$424,548,292

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, 2023, the District has not recorded a value for the collection in the financial statements.

Note 7 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2023 consisted of the following:

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023	Due in One Year
General obligation bonds	$ 304,050,182	$ 390,128	$ (9,955,000)	$ 294,485,310	$ 9,360,000
Premium on issuance	16,401,317	-	(1,892,283)	14,509,034	-
Certificates of participation	-	24,550,000	-	24,550,000	-
Premium on issuance	-	957,248	(15,146)	942,102	-
Subscription-based IT arrangements	4,017,557	2,619,212	(2,706,530)	3,930,239	2,816,846
Compensated absences	5,742,423	84,884	-	5,827,307	2,968,849
Load banking	953,539	230,833	-	1,184,372	-
Claims liability	10,830,392	1,524,550	-	12,354,942	-
Total	$ 341,995,410	$ 30,356,855	$ (14,568,959)	$ 357,783,306	$ 15,145,695

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property tax collections. Payments on the certificates of participation are made by the Capital Outlay Projects Fund. Payments on the subscription-based IT arrangements is made from the fund utilizing the software subscription. The compensated absences and load banking are paid by the fund for which the employees' salaries are paid from. The District's Internal Service Fund makes payments for the claims liability.

General Obligation Bonds

2004 General Obligation Bonds Series 2010D

During December 2010, the District issued the 2004 General Obligation Bonds Series 2010D in the amount of $7,699,278. The bonds mature beginning on August 1, 2015 through August 1, 2025, with interest rates ranging from 2.36% to 5.53%. The bonds issued included $7,699,278 of capital appreciation tax-exempt bonds, with the value of the capital appreciation bonds maturing to a principal balance of $15,920,000. At June 30, 2023, the Series 2010D bonds had a principal balance outstanding of $6,745,310 and unamortized premium cost of $440,241.

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

2014 General Obligation Refunding Bonds

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

Series A tax-exempt bonds have a final maturity to occur on August 1, 2027, with interest rates from 2.00% to 5.00%. The net proceeds of $34,006,704 (representing the principal amount of $29,130,000 plus premium on issuance of $4,876,704) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2004A, advance refund a portion of the District's 2005 General Obligation Refunding Bonds, advance refund a portion of the 2004 General Obligation Bonds, Series 2007C, and pay the costs associated with the issuance of the refunding bonds. Series B federally taxable bonds have a final maturity to occur on August 1, 2024, with interest rates from 0.40% to 3.61%. 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, 2023, the principal balance outstanding was $13,935,000. Unamortized premium received on issuance of the bonds amounted to $796,693 as of June 30, 2023.

2015 General Obligation Refunding Bonds

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

The bonds have a final maturity to occur on August 1, 2032, with interest rates from 2.00% to 5.00%. The net proceeds of $49,654,797 (representing the principal amount of $43,920,000 plus premium on issuance of $5,734,797) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2007C, advance refund the remaining balance of the District's 2005 General Obligation Refunding Bonds and pay the costs associated with the issuance of the refunding bonds. At June 30, 2023, the principal balance outstanding was $885,000. Unamortized premium received on issuance of the bonds amounted to $3,049,233 as of June 30, 2023.

2004 General Obligation Bonds, Series 2019F

During October 2019, the District issued the 2004 General Obligation Bonds, Series 2019F in the amount of $39,995,000. The bonds mature beginning on August 1, 2020 through August 1, 2039, with interest rates ranging from 3.00% to 4.00%. At June 30, 2023, the principal outstanding was $35,910,000 and unamortized premium cost of $3,146,142.

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

2019 General Obligation Refunding Bonds

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

The bonds have a final maturity to occur on August 1, 2040, with interest rates from 3.00% to 4.00%. The net proceeds of $108,856,111 (representing the principal amount of $100,295,000 plus premium on issuance of $8,561,111) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2010D-1 and pay the costs associated with the issuance of the refunding bonds. At June 30, 2023, the principal balance outstanding was $97,495,000. Unamortized premium received on issuance of the bonds amounted to $7,076,725 as of June 30, 2023.

2021 General Obligation Refunding Bonds

During May 2021, the District issued the 2021 General Obligation Refunding Bonds in the amount of $140,595,000. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability.

The bonds have a final maturity to occur on August 1, 2039, with interest rates from 0.14% to 2.70%. The proceeds from the issuance were used to advance refund a portion of the District's outstanding 2014 General Obligation Refunding Bonds, to advance refund a portion of the District's outstanding 2015 General Obligation Refunding Bonds, and to advance refund the remaining outstanding balance of the 2004 General Obligation Bonds, Series 2015E , and pay the costs associated with the issuance of the refunding bonds. At June 30, 2023, the principal balance outstanding was $139,515,000.

Debt Maturity

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Accreted Interest	Redeemed	Bonds Outstanding End of Year
2010	2026	2.36%-5.53%	$ 7,699,278	$ 8,130,182	$ -	$ 390,128	$ (1,775,000)	$ 6,745,310
2014	2028	0.40%-5.00%	73,090,000	20,065,000	-	-	(6,130,000)	13,935,000
2015	2033	2.00%-5.00%	43,920,000	985,000	-	-	(100,000)	885,000
2019	2040	3.00%-4.00%	39,995,000	37,560,000	-	-	(1,650,000)	35,910,000
2019	2041	3.00%-4.00%	100,295,000	97,795,000	-	-	(300,000)	97,495,000
2021	2040	0.14%-2.70%	140,595,000	139,515,000	-	-	-	139,515,000
				$ 304,050,182	$ -	$ 390,128	$ (9,955,000)	$ 294,485,310

The bonds mature through 2041 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2024	$ 9,310,683	$ 49,317	$ 7,787,174	$ 17,147,174
2025	9,963,232	166,768	7,511,772	17,641,772
2026	9,741,395	408,605	7,334,078	17,484,078
2027	10,865,000	-	7,210,779	18,075,779
2028	11,615,000	-	7,022,410	18,637,410
2029-2033	72,575,000	-	30,736,172	103,311,172
2034-2038	104,920,000	-	17,710,726	122,630,726
2039-2041	65,495,000	-	2,480,060	67,975,060
Total	$ 294,485,310	$ 624,690	$ 87,793,171	$ 382,903,171

Certificates of Participation (COP)

On January 31, 2023, the District issued certificates of participation in the amount of $24,550,000 with interest rates ranging from 5.00% to 5.25%. Proceeds from the certificated were used to finance the purchase of solar and certain other capital improvements to District sites and facilities. At June 30, 2023, the principal balance outstanding was $24,550,000. Unamortized premium received on issuance of the COP amounted to $942,102.

Fiscal Year	Principal	Interests	Total
2024	$ -	$ 1,265,063	$ 1,265,063
2025	720,000	1,265,063	1,985,063
2026	335,000	1,229,062	1,564,062
2027	375,000	1,212,312	1,587,312
2028	425,000	1,193,563	1,618,563
2029-2033	2,640,000	5,611,562	8,251,562
2034-2038	4,005,000	4,836,063	8,841,063
2039-2043	6,050,000	3,625,449	9,675,449
2044-2048	8,045,000	1,825,425	9,870,425
2049	1,955,000	102,638	2,057,638
Total	$ 24,550,000	$ 22,166,200	$ 46,716,200

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into various SBITAs for the software needs of the District. At June 30, 2023, the District has recognized right-to-use subscriptions IT assets of $4,055,290, net of accumulated amortization and SBITA liabilities of $3,930,239 related to these agreements. During the fiscal year, the District recorded $2,635,169 in amortization expense. The District is required to make total principal and interest payments of $3,980,931 through 2026-2027 fiscal year. The District used discount rates ranging from 0.22% to 3.99% based on the estimated incremental borrowing rate for financing over a similar period.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 2,816,846	$ 40,327	$ 2,857,173
2025	875,048	8,813	883,861
2026	221,710	1,524	223,234
2027	16,635	28	16,663
Total	$ 3,930,239	$ 50,692	$ 3,980,931

Note 8 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2023, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 87,493,117	$ 30,162,203	$ 17,228,270	$ 7,917,950
Medicare Premium Payment (MPP) Program	784,851	-	-	(198,033)
Total	$ 88,277,968	$ 30,162,203	$ 17,228,270	$ 7,719,917

The details of each plan are as follows:

District Plan

Plan Administration

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

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

Plan Membership

At June 30, 2023, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	87
Active employees	1,219
Total	1,306

California Employers' Retiree Benefit Trust (CERBT)

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by agreements with the District, the Faculty Association (CCA/CTA/NEA), the local California School Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, with any additional amounts to prefund benefits with the District, CTA, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2023, the District contributed $2,725,558 to the Plan, of which $1,400,446 was used for current premiums and $1,325,112 was used to fund the OPEB Trust.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Global Equity	34%
Fixed Income	41%
Treasury Inflation-Protected Securities (TIPS)	5%
Real Estate Investment Trusts (REITs)	17%
Commodities	3%

Rate of Return

For the year ended June 30, 2023, the annual money-weighed rate of return on investments, net of investment expense, was 6.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $87,493,117 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	$ 91,330,868
Plan fiduciary net position	(3,837,751)
Net OPEB liability	$ 87,493,117
Plan fiduciary net position as a percentage of the total OPEB liability	4.20%

Actuarial Assumptions

The total OPEB liability as of June 30, 2023 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total OPEB liability to June 30, 2023. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75%, average, including inflation
Discount rate	4.13%
Investment rate of return	5.50%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00 % for 2023-2024, trending down to an ultimate rate of 4.14%

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

Mortality rates were based on the 2020 CalSTRS experience study for certificated employees and the 2021 CalPERS experience study for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actual experience study for the period as of June 30, 2022.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global Equity	5.50%
Fixed Income	5.50%
Treasury Inflation-Protected Securities (TIPS)	5.50%
Real Estate Investment Trusts (REITs)	5.50%
Commodities	5.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2022	$ 85,579,066	$ 3,111,333	$ 82,467,733
Service cost	4,344,808	-	4,344,808
Interest	3,594,546	-	3,594,546
Difference between expected and actual experience	115,781	-	115,781
Contributions - employer	-	2,725,558	(2,725,558)
Expected investment income	-	334,917	(334,917)
Changes of assumptions	1,813,257	-	1,813,257
Benefit payments	(4,116,590)	(2,330,000)	(1,786,590)
Administrative expense	-	(4,057)	4,057
Net change in total OPEB liability	5,751,802	726,418	5,025,384
Balance, June 30, 2023	$ 91,330,868	$ 3,837,751	$ 87,493,117

The discount rate was changed from 4.09% to 4.13% since the previous valuation. The healthcare trend rate was changed from trending downward to an ultimate rate of 3.94% to trending downward to an ultimate rate of 4.14% since the previous valuation. The expected long-term rate of return changed from 7.01% to 5.50% since the previous valuation. There were no changes in benefit terms since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (3.13%)	$ 94,957,874
Current discount rate (4.13%)	87,493,117
1% increase (5.13%)	80,478,144

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (6.00% trending down to an ultimate rate of 3.14%)	$ 77,330,534
Current healthcare cost trend rate (7.00% trending down to an ultimate rate of 4.14%)	87,493,117
1% increase (8.00% trending down to an ultimate rate of 5.14%)	99,502,032

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,321,873	$ 7,096,667
Changes of assumptions	28,453,978	10,131,603
Net difference between projected and actual earnings on OPEB plan investments	386,352	-
Total	$ 30,162,203	$ 17,228,270

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the average working lifetime of active and inactive plan participants. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 4,802,984
2025	4,804,432
2026	4,926,848
2027	3,316,190
2028	(1,985,573)
Thereafter	(2,930,948)
Total	$ 12,933,933

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2023, the District reported a liability of $784,851 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.2383% and 0.2464%, respectively, resulting in a net decrease in the proportionate share of 0.0081%.

For the year ended June 30, 2023, the District recognized OPEB expense of $(198,033).

Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

Measurement Date	June 30, 2022	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.54%	2.16%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2021, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP 2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population (145,282).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2022, is 3.54%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of June 30, 2021.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.54%)	$ 855,639
Current discount rate (3.54%)	784,851
1% increase (4.54%)	723,558

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 720,130
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	784,851
1% increase (5.50% Part A and 6.40% Part B)	858,216

Note 9 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District has coverage up to $55,000,000 for liability and tort risks. This coverage is subject to a $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) with a $75,000 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, 2023, the District contracted with the Southern California Schools Risk Management (SCSRM) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2022-2023, the District participated in the California Schools Risk Management Fund Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first $500,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / JPA Name	Type of Coverage	Limits
Schools Excess Liability Fund (SELF)	Property	$ 75,000
Riverside Community College District	Workers' Compensation	$ 500,000
California Schools Risk Management (CSRM)	Excess Workers' Compensation	$ 1,000,000
California Schools Risk Management (CSRM)	General Liability	$ 1,000,000
Public Risk Innovation, Solution, & Management (PRISM)	General Liability	$ 4,000,000
Schools Excess Liability Fund (SELF)	Excess Liability	$ 55,000,000
Public Risk Innovation, Solution, & Management (PRISM)	General Liability	$ 600,000,000

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

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

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2021 to June 30, 2023:

	Self - Insurance
Liability Balance, July 1, 2021	$ 10,782,330
Claims and changes in estimates	12,883,966
Claims payments	(12,835,904)
Liability Balance, June 30, 2022	10,830,392
Claims and changes in estimates	15,788,457
Claims payments	(14,263,907)
Liability Balance, June 30, 2023	$ 12,354,942
Assets available to pay claims at June 30, 2023	$ 28,856,363

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

Employee Medical Benefits

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

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

Note 10 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2023, the District reported its proportionate share of the net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 110,312,487	$ 36,114,738	$ 18,899,378	$ 12,248,449
CalPERS	132,010,859	42,444,347	3,603,139	18,473,329
Total	$ 242,323,346	$ 78,559,085	$ 22,502,517	$ 30,721,778

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required State contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were $18,872,666.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 110,312,487
State's proportionate share of net pension liability associated with the District	55,244,062
Total	$ 165,556,549

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.1588% and 0.1639%, respectively, resulting in a net decrease in the proportionate share of 0.0051%.

For the year ended June 30, 2023, the District recognized pension expense of $12,248,449. In addition, the District recognized pension expense and revenue of $4,455,397 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 18,872,666	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	11,680,886	5,233,749
Differences between projected and actual earnings on pension plan investments	-	5,394,495
Differences between expected and actual experience in the measurement of the total pension liability	90,490	8,271,134
Changes of assumptions	5,470,696	-
Total	$ 36,114,738	$ 18,899,378

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (3,962,657)
2025	(4,292,868)
2026	(6,448,759)
2027	9,309,789
Total	$ (5,394,495)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 5,298,437
2025	1,601,552
2026	411,721
2027	(814,257)
2028	(1,663,685)
Thereafter	(1,096,579)
Total	$ 3,737,189

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Private equity	13%	6.3%
Real estate	15%	3.6%
Inflation sensitive	6%	3.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Cash/liquidity	2%	(0.4%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 187,351,518
Current discount rate (7.10%)	110,312,487
1% increase (8.10%)	46,346,930

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	25.37%	25.37%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were $15,242,141.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $132,010,859. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.3837% and 0.3793%, respectively, resulting in a net increase in the proportionate share of 0.0044%.

For the year ended June 30, 2023, the District recognized pension expense of $18,473,329. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 15,242,141	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,253,290	318,540
Differences between projected and actual earnings on pension plan investments	15,586,892	-
Differences between expected and actual experience in the measurement of the total pension liability	596,611	3,284,599
Changes of assumptions	9,765,413	-
Total	$ 42,444,347	$ 3,603,139

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 2,599,397
2025	2,305,486
2026	1,177,671
2027	9,504,338
Total	$ 15,586,892

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 3,299,399
2025	2,503,551
2026	2,281,990
2027	(72,765)
Total	$ 8,012,175

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 190,696,370
Current discount rate (6.90%)	132,010,859
1% increase (7.90%)	83,509,441

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $8,862,296 (10.828% of annual payroll). 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. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

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

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

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

Public Agency Retirement Services (PARS) - Alternate Retirement System

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

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

The minimum total contribution is 7.5% of employees' salaries, of which the employee contributes the total 7.5%. District employees are covered under PARS Plan #763 as of June 30, 2023. Total contributions to the plan amounted to $763,795.

Note 11 - 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, 2023, the District made payments of $123,565, $22,986, $1,535,048, and $2,096,492 to SELF, RCCCSSIPE, REEP, and SCSRM, respectively.

Note 12 - 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, 2023.

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 position of the District at June 30, 2023.

Construction Commitments

As of June 30, 2023, the District had approximately $63.3 million in commitments with respect to the unfinished capital projects.

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

Note 13 - Adoption of New Accounting Standard

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Primary Government	
Net Position, Beginning	$ 789,226
Right-to-use subscription IT assets, net of amortization	4,071,247
Subscription-based IT arrangements	(4,017,557)
Net Position, Beginning, as Restated	$ 842,916

Required Supplementary Information
June 30, 2023

Riverside Community College District

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 4,344,808	$ 5,504,586	$ 5,302,858
Interest	3,594,546	2,351,137	2,695,924
Difference between expected and actual experience	115,781	(9,193,626)	(129,893)
Changes of assumptions	1,813,257	(12,862,377)	3,612,704
Benefit payments	(4,116,590)	(5,105,272)	(5,254,816)
Net change in total OPEB liability	5,751,802	(19,305,552)	6,226,777
Total OPEB Liability - Beginning	85,579,066	104,884,618	98,657,841
Total OPEB Liability - Ending (a)	$ 91,330,868	$ 85,579,066	$ 104,884,618
Plan Fiduciary Net Position			
Contributions - employer	$ 2,725,558	$ 3,156,425	$ 3,455,849
Expected investment income	334,917	(732,901)	887,627
Benefit payments	(2,330,000)	(2,780,000)	(3,100,644)
Administrative expense	(4,057)	(4,664)	(4,629)
Net change in plan fiduciary net position	726,418	(361,140)	1,238,203
Plan Fiduciary Net Position - Beginning	3,111,333	3,472,473	2,234,270
Plan Fiduciary Net Position - Ending (b)	$ 3,837,751	$ 3,111,333	$ 3,472,473
Net OPEB Liability - Ending (a) - (b)	$ 87,493,117	$ 82,467,733	$ 101,412,145
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.20%	3.64%	3.31%
Covered Payroll	$ 130,339,328	$ 134,621,361	$ 110,528,602
Net OPEB Liability as a Percentage of Covered Payroll	67.13%	61.26%	91.75%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021

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

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

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

	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	6.72%	(12.29%)	36.81%	10.87%	18.03%	4.51%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

Year ended June 30,	2023	2022	2021
Proportion of the net OPEB liability	0.2383%	0.2464%	0.2799%
Proportionate share of the net OPEB liability	$ 784,851	$ 982,884	$ 1,186,062
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

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

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

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.2717%	0.2527%	0.2355%
Proportionate share of the net OPEB liability	$ 1,011,907	$ 967,313	$ 990,620
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2023	2022	2021	2020	2019
CalSTRS					
Proportion of the net pension liability	0.1588%	0.1639%	0.1606%	0.1536%	0.1408%
Proportionate share of the net pension liability	$ 110,312,487	$ 74,603,493	$ 155,655,296	$ 138,729,236	$ 129,401,609
State's proportionate share of the net pension liability associated with the District	55,244,062	37,537,584	80,240,323	75,686,060	74,088,473
Total	$ 165,556,549	$ 112,141,077	$ 235,895,619	$ 214,415,296	$ 203,490,082
Covered payroll	$ 98,689,894	$ 94,672,520	$ 91,342,404	$ 88,591,830	$ 81,232,301
Proportionate share of the net pension liability as a percentage of its its covered payroll	111.78%	78.80%	170.41%	156.59%	159.30%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS					
Proportion of the net pension liability	0.3837%	0.3793%	0.3815%	0.3630%	0.3459%
Proportionate share of the net pension liability	$ 132,010,859	$ 77,121,739	$ 117,041,355	$ 105,786,553	$ 92,235,592
Covered payroll	$ 58,754,876	$ 54,408,304	$ 54,715,111	$ 50,257,602	$ 45,678,186
Proportionate share of the net pension liability as a percentage of its covered payroll	224.68%	141.75%	213.91%	210.49%	201.92%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2018	2017	2016	2015
CalSTRS				
Proportion of the net pension liability	0.1301%	0.1386%	0.1322%	0.1408%
Proportionate share of the net pension liability	$ 120,279,953	$ 112,090,120	$ 89,023,018	$ 82,251,502
State's proportionate share of the net pension liability associated with the District	71,156,604	63,810,906	47,083,363	49,667,008
Total	$ 191,436,557	$ 175,901,026	$ 136,106,381	$ 131,918,510
Covered payroll	$ 73,435,278	$ 70,453,924	$ 63,394,932	$ 62,691,527
Proportionate share of the net pension liability as a percentage of its its covered payroll	163.79%	159.10%	140.43%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	0.3150%	0.3277%	0.3284%	0.3371%
Proportionate share of the net pension liability	$ 75,188,020	$ 64,730,434	$ 48,412,453	$ 38,273,998
Covered payroll	$ 40,139,783	$ 39,298,827	$ 36,227,160	$ 35,391,662
Proportionate share of the net pension liability as a percentage of its covered payroll	187.32%	164.71%	133.64%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2023	2022	2021	2020	2019
CalSTRS					
Contractually required contribution	$ 18,872,666	$ 16,698,330	$ 15,289,612	$ 15,619,551	$ 14,422,750
Less contributions in relation to the contractually required contribution	(18,872,666)	(16,698,330)	(15,289,612)	(15,619,551)	(14,422,750)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 98,809,770	$ 98,689,894	$ 94,672,520	$ 91,342,404	$ 88,591,830
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%
CalPERS					
Contractually required contribution	$ 15,242,141	$ 13,460,742	$ 11,262,519	$ 10,790,367	$ 9,077,528
Less contributions in relation to the contractually required contribution	(15,242,141)	(13,460,742)	(11,262,519)	(10,790,367)	(9,077,528)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 60,079,389	$ 58,754,876	$ 54,408,304	$ 54,715,111	$ 50,257,602
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%

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

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 11,721,821	$ 9,238,158	$ 7,559,706	$ 5,629,470
Less contributions in relation to the contractually required contribution	(11,721,821)	(9,238,158)	(7,559,706)	(5,629,470)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932
Contributions as a percentage of covered payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 7,094,279	$ 5,574,613	$ 4,655,732	$ 4,264,299
Less contributions in relation to the contractually required contribution	(7,094,279)	(5,574,613)	(4,655,732)	(4,264,299)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160
Contributions as a percentage of covered payroll	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate was changed from 4.09% to 4.13% since the previous valuation. The healthcare trend rate was changed from trending downward to an ultimate rate of 3.94% to trending downward to an ultimate rate of 4.14% since the previous valuation. The expected long-term rate of return changed from 7.01% to 5.50% since the previous valuation.

Schedule of OPEB Investment Returns

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

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

This schedule presents information on the District’s proportionate share of the net OPEB Liability – MPP Program and the plans’ fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 2.16% to 3.54% since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS plan from the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

Schedule of District Contributions for Pensions

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

Supplementary Information
June 30, 2023

Riverside Community College District

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

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

Board of Trustees as of June 30, 2023

Member	Office	Term Expires
Bill Hedrick	President	2024
Jose Alcala	Vice President	2026
Virginia Blumenthal	Secretary	2026
Mary Figueroa	Member	2024
Keri Then	Member	2026

Administration as of June 30, 2023

Dr. Wolde-Ab Isaac, Ph.D.	Chancellor
Mr. Aaron Brown	Vice Chancellor, Business and Financial Services
Dr. Susan Mills, Ph.D.	Vice Chancellor, Educational Services and Strategic Planning
Ms. Tammy Few	Vice Chancellor, Human Resources & Employee Relations
Ms. Rebeccah Goldware	Vice Chancellor, Institutional Advancement and Economic Development

College Administration as of June 30, 2023

Dr. FeRita Carter, Ph.D.	Interim President, Riverside City College
Dr. Monica Green, Ed.D.	President, Norco College
Dr. Robin Steinback, Ph.D.	President, Moreno Valley College

Auxiliary Organizations in Good Standing

Riverside Community College District Foundation, established 1975
Master Agreement signed 2009, addendum 2013
Jeffry Kaatz, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed through to Subrecipients
U.S. Department of Commerce				
Passed through California Manufacturing Technology Consulting				
Manufacturing Workforce	11.611	[1]	$ 27,786	$ -
Total U.S. Department of Commerce			27,786	-
U.S. Department of Defense				
Procurement Technical Assistance for Business Firms	12.002		317,596	-
Passed through California State University - San Bernardino				
Inland Empire Cybersecurity Initiative	12.905	H98230-21-1-0174	171,083	13,869
Total U.S. Department of Defense			488,679	13,869
U.S. Department of State				
Passed through World Learning Inc.				
Increase and Diversify Education Abroad for U.S. Students (IDEAS)	19.009		4,111	-
Total U.S. Department of State			4,111	-
U.S. Department of Labor				
Passed through American Association of Community Colleges				
Expanding Community College Apprenticeships	17.285	AP-38899-22-60-A-6	131,892	5,548
Total U.S. Department of Labor			131,892	5,548
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		44,496,401	-
Federal Pell Grant Program-Administrative Allowance	84.063		66,280	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		1,478,147	-
Federal Supplemental Educational Opportunity Grant Administrative Allowance	84.007		71,107	-
Federal Work-Study Program	84.033		1,111,902	-
Federal Work-Study Program - Administrative Allowance	84.033		72,033	-
Federal Direct Student Loans	84.268		2,032,672	-
Subtotal Student Financial Assistance Cluster			49,328,542	-
TRIO Cluster				
Student Support Services	84.042A		1,624,318	-
Talent Search	84.044A		298,004	-
Upward Bound	84.047A		1,903,044	-
Upward Bound - Math and Science	84.047M		283,157	
Upward Bound - Veterans	84.047V		32,760	-
Subtotal TRIO Cluster			4,141,283	-

[1] Pass-Through Identifying Number not available.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed through to Subrecipients
Centers of Excellence for Veteran Student Success	84.116G		$ 401,261	$ -
Inland Empire Technical Trade Center	84.116Z		402,811	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		127,887	-
COVID 19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		3,489,884	-
COVID 19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		21,027,787	-
COVID 19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		3,205,810	-
Subtotal			27,723,481	-
Title III - STEM	84.031C		1,583,456	-
Title V - STEM Engineering Pathways	84.031C		132,857	-
Title V - Pathways to Access, Completion, Equity,and Success (PACES)	84.031S		453,804	-
Title V - STEM - RCC	84.031S		240,546	-
Passed through University Enterprise Corporation at CSUSB				
Pathways to Success: Creating Opportunities in the Arts & Humanities	84.031S	SA22149	8,321	-
Title V - Here to Career	84.031S	GT16146	6,982	-
Subtotal			2,425,966	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act, Perkins Title I, Part C	84.048A	22-017	1,676,215	-
Regional Collaboration and Coordination	84.048A	[1]	252,172	-
Subtotal			1,928,387	-
Passed through California Department of Rehabilitation				
Workablity	84.126A	31388	287,973	-
Total U.S. Department of Education			86,767,591	-
U.S. Department of Health and Human Services				
GLS Campus Suicide Prevention	93.243		35,974	-
Passed through California Community Colleges Chancellor's Office				
Foster & Kinship Care Educational Program	93.658	[1]	29,472	-
Temporary Assistance for Needy Families (TANF)	93.558	[1]	216,191	-
Total U.S. Department of Health and Human Services			281,637	-
U.S. Department of the Treasury				
Passed through California Community Colleges Chancellor's Office				
COVID 19: Coronavirus State And Local Fiscal Recovery Funds	21.027	[1]	4,843,530	-
Total U.S. Department of the Treasury			4,843,530	-
U.S. Department of Homeland Security				
COVID 19: Recovery Costs - FEMA	97.036		358,561	-
Total U.S. Department of Homeland Security			358,561	-

[1] Pass-Through Identifying Number not available.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed through to Subrecipients
U.S. Department of Agriculture				
Passed through Regents of the University of California, Riverside				
Six Legs, Endless Possibilities	10.223		$ 10,519	$ -
Total U.S. Department of Agriculture			10,519	-
U.S. Department of the Veterans Affairs				
Veterans Services	64.117		2,823	-
Total U.S. Department of Veterans Affairs			2,823	-
National Science Foundation				
Research and Development Cluster				
Data Science Corps	47.070		54,968	-
Improving Undergraduate STEM Education	47.076		114,144	-
Closing STEM Student Equity Gaps	47.076		242,975	50,764
S-STEM	47.076		108,895	-
S-STEM Accelerating Chemistry Engagement and Success	47.076		176,901	-
Cyber Security	47.076		143,409	-
Norco College Apprenticeship Program	47.076			-
National Center for Supply Chain Automation	47.076		371,672	48,616
STEM En Familia	47.076		81,559	-
U.S. Department of Health and Human Services				
Passed through Regents of the University of California, Riverside				
Bridges to the Baccalaureate Program	93.859	S-001594	22,005	-
Total Research and Development Cluster			1,316,528	99,380
Total Federal Financial Assistance			$ 94,233,657	$ 118,797

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
AB 86 Adult Education Block Grant	$ 990,674	$ -	$ 167,176	$ 823,498	$ 823,498
Adult Learner Focused SEM	30,000	-	22,278	7,722	7,722
Asian American, Native Hawaiian and Pacific Island	150,697	-	150,697	-	-
Basic Needs Centers	1,969,780	-	1,145,864	823,917	823,917
CAI - Short Order Cooks Apprenticeship Program	22,824	-	20,194	2,630	2,630
CAI MSJC Launch	-	29,606	-	29,606	29,606
CalFresh Outreach	15,750	-	9,767	5,983	5,983
Cal Grants B	6,853,668	-	-	6,853,668	6,755,270
California Apprenticeship Initiative	(29,019)	516,444	-	487,425	487,425
California College Promise (AB 19)	2,373,107	-	714,336	1,658,771	1,658,771
California Low Cost Insurance Program	1,500	-	-	1,500	1,500
California Space Grant Consortium	1,186	6,484	811	6,859	6,859
California Youth Leadership Corps	123,067	-	-	123,067	123,067
CalWORKs	1,602,171	-	212,235	1,389,936	1,389,936
CARE	696,170	-	196,098	500,072	500,072
CCAP STEM Pathways Academy Grant	666,307	-	404,061	262,246	262,246
CELL-Learning Lab	28,607	-	-	28,607	28,607
Chaffee Grants	20,000	-	-	20,000	17,500
College and Career Access Pathways	84,607	-	84,607	-	-
College Fellows	240,370	381,502	-	621,872	621,872
Completion Grants	130,000	-	-	130,000	-
COVID-19 Recovery Block Grant	17,627,402	-	16,579,120	1,048,282	1,048,282
Culturally Competent Faculty PD	151,305	-	151,305	-	-
Culturally Responsive Pedagogy & Practices	149,965	-	149,965	-	-
Disabled Student Program & Services - DSPS	4,630,944	-	20,005	4,610,940	4,610,940
Dreamer Resource Liaison Support	645,408	-	529,842	115,565	115,565
Early Childhood Education Center	4,988,225	-	4,821,967	166,258	166,258
EEIC TSNE Uplift Project	23,785	-	-	23,785	23,785
EEO Best Practices	208,333	-	205,133	3,200	3,200

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Ext Opp Prog and Serv - EOPS	$ 4,084,827	$ -	$ 890,364	$ 3,194,463	$ 3,194,463
Faculty and Staff Diversity	293,530	-	222,289	71,241	71,241
Financial Aid Technology	202,207	-	93,658	108,549	108,549
Foothill - De Anza CCD CVC-OEI	4,941	-	4,941	-	-
Foster Care Education Program	62,049	-	2,417	59,631	59,631
Guided Pathways	2,132,049	-	1,716,364	415,684	415,684
Homeless and Housing Insecure Pilot Program	2,771,439	-	2,441,216	330,223	330,223
Hunger Free Campus Support Allocation	74,985	-	5,201	69,784	69,784
Innovation in Higher Education	718,043	-	453,087	264,956	264,956
Institutional Effectiveness Partnership - Santa Clarita CCD	237,555	-	1,212	236,343	236,343
Instructional Equipment	5,596,353	-	4,807,338	789,015	789,015
Invention and Inclusive Innovation (i3) Initiative	130,000	109,437	-	239,437	239,437
JFK Middle College High School Counseling	610	-	610	-	-
K12 & K14 TAP Fund Return	173,812	-	137,104	36,708	36,708
K12 PC and K14 TAP Fund Return	264,879	-	264,879	-	-
K12 PC and K14 Technical Assistance Provider	2,790,000	-	2,078,120	711,880	711,880
K-12 Strong Workforce Program	43,690,347	-	34,777,674	8,912,673	8,912,673
K14 Pathways Technical Assistance Provider	705,096	-	33,660	671,436	671,436
Learning-Aligned Employment Program	8,843,315	-	8,807,949	35,366	35,366
LGBTQ+	253,507	-	209,656	43,851	43,851
Library Services Platform	33,894	-	5,122	28,772	28,772
Mental Health Support	1,297,051	-	393,461	903,590	903,590
MESA - Mathematics, Engineering, & Science Achievement	-	15,206	-	15,206	15,206
Middle College High School - Norco	227,603	-	83,177	144,426	144,426
Military Articulation Platform Summit and Funding (MAPS)	3,223,071	-	1,623,716	1,599,355	1,599,355
NABTU Certified MC3 Apprenticeship Readiness	-	623	-	623	623
New Workforce Development Center	1,000,000	-	-	1,000,000	1,000,000
Nextup (CAFYES)	1,956,582	-	247,469	1,709,113	1,709,113
Norco College Industry and Inclusion	8,000	-	1,684	6,316	6,316
Nursing Education Program Support	379,725	-	144	379,581	379,581

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
REACH	$ 25,000	$ -	$ 25,000	$ -	$ -
Regional Collaboration and Coordination	1,096,218	352,897	762,689	686,426	686,426
Retention & Enrollment Outreach	5,424,404	-	4,571,133	853,270	853,270
Rising Scholars Network	154,000	114,750	183,453	85,297	85,297
SFAA - Base	451,362	-	20,634	430,728	430,728
SFAA - Capacity	1,545,468	-	160,082	1,385,386	1,385,386
Song Brown Capitation	210,000	70,000	94,869	185,131	185,131
Staff Development - Classified	119,725	-	119,725	-	-
Staff Development - Academic	153	-	153	-	-
State Fiscal Recovery Funds - Supplemental	511,974	-	-	511,974	511,974
Strong Workforce Program - Local	9,361,755	-	5,045,040	4,316,714	4,316,714
Strong Workforce Program - Regional	25,347,376	-	18,297,127	7,050,250	7,050,250
Student Equity and Achievement	16,212,112	-	3,680,186	12,531,925	12,531,925
Student Food & Housing Support (Basic Needs)	1,551,089	-	663,593	887,496	887,496
Student Success Completion Grants	13,220,851	-	-	13,220,851	10,678,840
Systemwide Technology and Data Security	368,000	-	368,000	-	-
UMOJA Community Education Foundation	14,590	-	2,919	11,671	11,671
Veteran Resource Center - Ongoing	644,400	-	366,372	278,028	278,028
Veterans Program	118,946	-	-	118,946	118,946
Whale Tail	-	1,274	-	1,274	1,274
Workforce Development Program	500,000	-	-	500,000	500,000
Zero Textbook Cost Program	600,000	-	566,993	33,007	33,007
Total state programs	$ 203,029,725	$ 1,598,223	$ 119,815,942	$ 84,812,007	$ 82,039,098

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2022 Only)			
1. Noncredit*	22.35	-	22.35
2. Credit	2,311.48	-	2,311.48
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	8,286.18	-	8,286.18
(b) Daily Census Contact Hours	1,367.92	-	1,367.92
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	128.16	-	128.16
(b) Credit	1,826.04	-	1,826.04
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	8,705.42	-	8,705.42
(b) Daily Census Procedure Courses	4,663.20	-	4,663.20
(c) Noncredit Independent Study/Distance Education Courses	64.28	-	64.28
D. Total FTES	27,375.03	-	27,375.03
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	258.01	-	258.01
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	27.41	-	27.41
2. Credit	40.07	-	40.07
CCFS-320 Addendum			
CDCP Noncredit FTES	84.48	-	84.48
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	1,168.69	-	1,168.69

* Including Career Development and College Preparation (CDCP) FTES.

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	$ 46,453,659	$ -	$ 46,453,659	$ 46,453,659	$ -	$ 46,453,659
Other	1300	41,376,187	-	41,376,187	41,376,187	-	41,376,187
Total Instructional Salaries		87,829,846	-	87,829,846	87,829,846	-	87,829,846
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	19,304,489	-	19,304,489
Other	1400	-	-	-	2,295,474	-	2,295,474
Total Noninstructional Salaries		-	-	-	21,599,963	-	21,599,963
Total Academic Salaries		87,829,846	-	87,829,846	109,429,809	-	109,429,809
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	39,454,267	-	39,454,267
Other	2300	-	-	-	2,594,906	-	2,594,906
Total Noninstructional Salaries		-	-	-	42,049,173	-	42,049,173
Instructional Aides							
Regular Status	2200	3,127,636	-	3,127,636	3,127,636	-	3,127,636
Other	2400	431,588	-	431,588	431,588	-	431,588
Total Instructional Aides		3,559,224	-	3,559,224	3,559,224	-	3,559,224
Total Classified Salaries		3,559,224	-	3,559,224	45,608,397	-	45,608,397
Employee Benefits	3000	35,588,991	-	35,588,991	72,057,159	-	72,057,159
Supplies and Material	4000	-	-	-	1,741,327	-	1,741,327
Other Operating Expenses	5000	-	-	-	22,029,119	-	22,029,119
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		126,978,061	-	126,978,061	250,865,811	-	250,865,811

		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	$ -	$ -	$ -	$ 780,648	$ -	$ 780,648
Student Health Services Above Amount Collected	6441	-	-	-	192,646	-	192,646
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	2,110,779	-	2,110,779
Objects to Exclude							
Rents and Leases	5060	-	-	-	1,557,806	-	1,557,806
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	4,360,772	-	4,360,772
Employee Benefits	3000	-	-	-	2,879,556	-	2,879,556
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	11,882,207	-	11,882,207
Total for ECS 84362, 50% Law		$ 126,978,061	$ -	$ 126,978,061	$ 238,983,604	$ -	$ 238,983,604
Percent of CEE (Instructional Salary Cost/Total CEE)		53.13%		53.13%	100.00%		100.00%
50% of Current Expense of Education					$ 119,491,802		$ 119,491,802

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 15,137,820
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 14,913,982	$ 223,838	$ -	$ 15,137,820
Total Expenditures for EPA		$ 14,913,982	$ 223,838	$ -	$ 15,137,820
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 90,057,553	
Special Revenue Funds	11,416,718	
Capital Project Funds	53,917,099	
Debt Service Funds	32,668,999	
Internal Service Funds	12,011,171	
Total fund balance - all District funds		$ 200,071,540
Capital assets and right-to-use subscription IT 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	699,660,722	
Accumulated depreciation is	(279,167,720)	
The cost of right-to-use subscription IT assets is	9,239,839	
Accumulated amortization is	(5,184,549)	
Total capital assets and right-to-use subscription IT assets, net		424,548,292
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	26,955,062	
Deferred outflows of resources related to OPEB	30,162,203	
Deferred outflows of resources related to pensions	78,559,085	
Total deferred outflows of resources		135,676,350
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(3,406,804)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	(305,783,432)	
Certificates of participation	(25,492,102)	
Subscription-based IT arrangements	(3,930,239)	
Compensated absences	(5,827,307)	
Less compensated absences already recorded in District funds	2,968,849	
Load banking	(1,184,372)	
Aggregate net other postemployment benefits (OPEB) liability	(88,277,968)	
Aggregate net pension liability	(242,323,346)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(3,210,912)	
Total long-term liabilities		(673,060,829)

Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	$ (17,228,270)	
Deferred inflows of resources related to pensions	(22,502,517)	
Total deferred inflows of resources		$ (39,730,787)
Total net position		$ 44,097,762

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's organization, governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2023.

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards (*Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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

Indirect Cost Rate
The District has not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Independent Auditor’s Reports
June 30, 2023

Riverside Community College District

eidebailly.com

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*

To the 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 (*Government Auditing Standards*), the financial statements of the business-type activities and the remaining fund information of the Riverside Community College District (the District) as of and for the year ended June 30, 2023, 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 28, 2023.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 13 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
November 28, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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.

In our opinion, the Riverside Community College District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Eide Bailly LLP

Rancho Cucamonga, California
November 28, 2023

Independent Auditor's Report on State Compliance

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

Report on State Compliance

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements described in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2023.

Opinion

In our opinion, the Riverside Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table below that were audited for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the standards and procedures identified in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements listed in the table below.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit 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 over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.

Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 499	COVID-19 Response Block Grant Expenditures

The State Fiscal Recovery Fund was included as a major federal program, as described in the summary of auditor's results; therefore, the compliance requirements within this section were not performed.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
November 28, 2023

Schedule of Findings and Questioned Costs
June 30, 2023

Riverside Community College District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
TRIO Cluster	84.042A, 84.044A, 84.047A, 84.047M, 84.047V
COVID 19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID 19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F
COVID 19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between type A and type B programs	$2,827,010
Auditee qualified as low-risk auditee	Yes

State Compliance

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

The following finding represents a significant deficiency related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*.

2023-001 Financial Reporting and Closing Process

Criteria or Specific Requirements
The accounting system used to record the financial affairs of any community college district shall be in accordance with the definitions, instructions, and procedures published in the California Community Colleges *Budget and Accounting Manual* (BAM). Community Colleges are also required to present their financial statements in accordance with generally accepted accounting principles (GAAP).

Condition
Significant Deficiency – Several passed audit adjustments were identified that were related to revenue recognition criteria being met by the District causing an overstatement to the accounts receivable balance and understatement of the unearned revenue balance. In addition, the outstanding balance of an open purchase order was accrued as an accounts payable at year-end. Subsequent payments made against this purchase order were charged to the 2022-2023 fiscal year, however the goods were not ordered and received by the District until the 2023-2024 fiscal year.

Questioned Costs
There are no questioned costs associated with this finding.

Context
Several passed audit adjustments were identified during the course of the audit.

Effect
Revenues and expenses were both overstated in the instances that were identified. These overstatements were not material individually or in aggregate to the financial statement of the District.

Cause
The internal controls in place during the closing process, including the review of the revenue recognition criteria, were not effective in preventing or detecting potential material misstatements.

Repeat Finding (Yes or No)
No.

Recommendation
We recommend that all account balances are reconciled and reviewed by appropriate personnel prior to closing the fiscal year ledgers to ensure proper financial reporting. Policies and procedures should be implemented to ensure that these accounts are reconciled and reviewed throughout the year on a regular basis in order to facilitate accurate reporting.

Views of Responsible Officials and Corrective Action Plan
The District will enhance its year-end procedures by providing year-end training to District and college employees related to revenue recognition and accounts payable accruals.

For revenue recognition, the bookkeepers will review all the financial aid awards in the system and ensure that the revenue matches to expenses, and as needed, propose a journal entry to defer revenue. The Accounting Services Manager will review the proposed journals and confirm that all the awards in the system were properly recorded. The Accounting Service Manager will approve the deferred revenue journals for posting.

For the year-end accrual process, the district office will work with department managers and college finance team member to ensure accurate accruals per accounting guidelines. Additional year-end detail training for managers will be implemented as part of the year-end close. Additionally, a listing of open purchase orders will be sent to the college finance teams monthly during the close process. The college finance teams including the College Vice President of Finance will be involved in reviewing all large accruals for accuracy. Finally, the Controller will review the final accrual schedule for all vendors that this final accrual schedule will be provided to the colleges.

None reported.

None reported.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Compliance Findings

None reported.