Financial Statements
June 30, 2022

Riverside Community College District

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Independent Auditor's Report

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 Riverside Community College District (the District) as of and for the year ended June 30, 2022, 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 District, as of June 30, 2022, 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.

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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 Responsibility 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 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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* (CFR) 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of 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 29, 2022 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, and 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 29, 2022

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, 2022. 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, 2022. 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 2021-2022 fiscal year, total reported FTES were 24,922 as compared to 28,409 in the 2020-2021 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 2021-2022, the District reported actual FTES of 24,922 but was funded at 30,558.

The District will continue to participate in the state ECA program for FY 2022-2023 and will comply with the 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; ensure membership in CVC-OEI and sign a Master Consortium Agreement; become a Home College; on-time submission of all MIS data; and adopt 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 $1,501,913 in fiscal year 2021-2022. Additionally, the District and its three colleges received $1,104,573 primarily for Norco Center for Health Performance & Kinesiology and Riverside City College Life Science/Physical Science project during 2021-2022.

- The completed facility projects, listed below, are 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.

  Student Services Welcome – Moreno Valley College
  Veterans Resource Center – Norco College
  Elevator Accessibility Upgrade – Norco College

- Employee salaries increased by 7.27% or $12.1 million from the 2020-2021 fiscal year and employee benefits decreased by 46.67% or $42.5 million. The increase in salaries is primarily due to a COLA increase of 5.07 percent; scheduled salary step increases; employee reclassifications. The decrease in benefit costs is due to the significant reductions in the District's OPEB and pension liabilities. The pension liabilities were measured as of June 30, 2021 and the reduction is due to higher than anticipated investment returns. These liability reductions are expected to reverse in the 2022 -2023 fiscal year as investment returns on these pension assets for June 30, 2022 were significantly lower than the pension assets for June 30, 2021.

- During the 2021-2022 fiscal year, the District provided approximately $109.9 million in financial aid to students, representing an increase of 14.48% over the $96.0 million in fiscal year 2020-2021. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below. The District received Federal COVID-19 funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Federal Pell Grants (PELL)	$ 37,693,697
Federal Supplement Education Opportunity Grant (FSEOG)	1,736,966
Federal Direct Student Loans (Direct Loans)	1,421,924
Federal Work Study Program (FWS)	813,432
COVID-19 Higher Education Emergency Relief Funds - Student Aid Portion	37,976,388
State of California Cal Grants B	12,630,543
California Community College Promise Grant	17,642,580
Total financial aid provided to students	$ 109,915,530

THE DISTRICT AS A WHOLE

Net Position

	2022	2021	Change
Assets			
Cash and investments	$ 242,869,370	$ 204,007,326	$ 38,862,044
Receivables, net	39,889,391	68,391,661	(28,502,270)
Other current assets	340,469	286,331	54,138
Capital assets, net	406,409,977	406,815,365	(405,388)
Total assets	689,509,207	679,500,683	10,008,524
Deferred Outflows of Resources	126,596,049	153,087,310	(26,491,261)
Liabilities			
Accounts payable and accrued liabilities	123,133,925	113,184,077	9,949,848
Current portion of long-term liabilities	12,819,202	12,392,452	426,750
Noncurrent portion of long-term liabilities	560,334,500	711,682,226	(151,347,726)
Total liabilities	696,287,627	837,258,755	(140,971,128)
Deferred Inflows of Resources	119,028,403	9,243,565	109,784,838
Net Position			
Net investment in capital assets	137,288,097	140,262,376	(2,974,279)
Restricted	44,286,801	45,096,816	(810,015)
Unrestricted deficit	(180,785,672)	(199,273,519)	18,487,847
Total net position (deficit)	$ 789,226	$ (13,914,327)	$ 14,703,553

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.

	2022	2021	Change
Operating Revenues			
Tuition and fees, net	$ 16,864,105	$ 18,501,458	$ (1,637,353)
Grants and contracts, noncapital	123,316,669	123,055,311	261,358
Total operating revenues	140,180,774	141,556,769	(1,375,995)
Operating Expenses			
Salaries and benefits	226,988,877	257,409,736	(30,420,859)
Supplies, services, equipment, and maintenance	107,135,201	104,005,776	3,129,425
Student financial aid	101,072,573	78,146,661	22,925,912
Depreciation	19,591,020	18,654,004	937,016
Total operating expenses	454,787,671	458,216,177	(3,428,506)
Operating loss	(314,606,897)	(316,659,408)	2,052,511
Nonoperating Revenues (Expenses)			
State apportionments	144,226,929	134,910,973	9,315,956
Property taxes	79,970,346	76,322,885	3,647,461
Student financial aid grants	91,329,510	73,660,874	17,668,636
State revenues	10,918,077	8,919,984	1,998,093
Net interest expense	(13,061,997)	(9,441,374)	(3,620,623)
Other nonoperating revenues	12,398,375	11,184,358	1,214,017
Total nonoperating revenues (expenses)	325,781,240	295,557,700	30,223,540
Other Revenues (Losses)			
State capital income	3,533,991	2,978,981	555,010
Loss on disposal of assets	(4,781)	(12,677)	7,896
Total other revenues (losses)	3,529,210	2,966,304	562,906
Change in net position	$ 14,703,553	$ (18,135,404)	$ 32,838,957

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in total for the fiscal year 2021-2022. Property taxes levied and received from property within the District's boundaries increased during the year.

Grant and contract revenues relate primarily to student financial aid and to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted to allowable expenses related to the programs. The District received additional Federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. District received CARES I funding of $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 2021-2022, the District's investment income was $(3.7) million and interest expense was $9.4 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 decreased approximately $4.6 million from the 2020-2021 fiscal year primarily due to the decline in the fair market value of funds held in the Riverside County Investment Pool.

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

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation	Total
Instructional activities	$ 102,985,469	$ 5,871,876	$ -	$ 2,739,756	$ -	$ 111,597,101
Instructional administration	30,213,999	33,624,423	-	710,547	-	64,548,969
Instructional support services	5,057,654	448,282	-	438,242	-	5,944,178
Student services	36,741,349	5,995,272	-	192,497	-	42,929,118
Plant operations and maintenance	9,062,168	7,320,257	-	818,827	-	17,201,252
Planning, policymaking and coordinations	6,759,516	4,205,289	-	3,413,016	-	14,377,821
Institutional support services	24,524,168	26,893,772	-	1,605,783	-	53,023,723
Community services	2,351,704	1,555,022	-	35,307	-	3,942,033
Ancillary services and auxiliary operations	9,282,163	3,975,808	-	110,773	-	13,368,744
Physical property and related acquisitions	10,687	50,425	-	7,130,027	-	7,191,139
Student aid	-	-	101,072,573	-	-	101,072,573
Unallocated depreciation	-	-	-	-	19,591,020	19,591,020
Total	$ 226,988,877	$ 89,940,426	$ 101,072,573	$ 17,194,775	$ 19,591,020	$ 454,787,671

Changes in Cash Position

	2022	2021	Change
Net Cash Flows from			
Operating activities	$ (260,081,821)	$ (291,889,502)	$ 31,807,681
Noncapital financing activities	316,664,945	294,344,928	22,320,017
Capital financing activities	(14,276,152)	(12,437,852)	(1,838,300)
Investing activities	(3,444,928)	1,098,080	(4,543,008)
Net Increase (Decrease) in Cash	38,862,044	(8,884,346)	47,746,390
Cash, Beginning of Year	204,007,326	212,891,672	(8,884,346)
Cash, End of Year	$ 242,869,370	$ 204,007,326	$ 38,862,044

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

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

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2022, the District had $665.7 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2022, the District's net capital assets were $406.4 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. A summary of capital assets is presented below.

	Balance, July 1, 2021	Additions	Deletions	Balance, June 30, 2022
Land and construction in progress	$ 47,685,954	$ 10,741,007	$ (17,327,143)	$ 41,099,818
Buildings and improvements	544,113,790	18,799,454	-	562,913,244
Furniture and equipment	56,375,971	6,977,095	(1,660,367)	61,692,699
Subtotal	648,175,715	36,517,556	(18,987,510)	665,705,761
Accumulated depreciation	(241,360,350)	(19,591,020)	1,655,586	(259,295,784)
Total	$ 406,815,365	$ 16,926,536	$ (17,331,924)	$ 406,409,977

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 2021-2022 fiscal year, the District had $320.5 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, 2022, the District's aggregate net pension liability was $151.7 million and the aggregate net other postemployment benefits (OPEB) liability was $83.5 million.

Notes 8-11 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

	Balance, July 1, 2021	Additions	Deletions	Balance, June 30, 2022
General obligation bonds	$ 331,710,933	$ 447,848	$ (11,707,282)	$ 320,451,499
Aggregate net OPEB liability	102,598,207	-	(19,147,590)	83,450,617
Aggregate net pension liability	272,696,651	-	(120,971,419)	151,725,232
Other liabilities	17,068,887	457,467	-	17,526,354
Total long-term liabilities	$ 724,074,678	$ 905,315	$ (151,826,291)	$ 573,153,702
Amount due within one year				$ 12,819,202

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 2021-2022 fiscal year on June 21, 2022.

The District's final revised budget for the unrestricted resource of the General Fund anticipated that expenditures would exceed revenues by $45.8 million. The actual results for the year showed expenditures below revenue by $9.8 million. The total CARES revenue recovery recorded in Fiscal Year 2021-22 was $7.1 million. COVID-19 continued to negatively impact the financial performance of the following resources: 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 2023, the COVID-19 Pandemic is continuing to impact the delivery of instruction. The planned return to pre-pandemic levels for face-to-face instruction beginning the Fall 2022 term was adjusted to offer 40% face-to-face modality and 60% in an online or hybrid format. The District has received in excess of $169 million in Federal and State assistance to help students and the District deal with the impact of the pandemic. This support from the federal government, along with apportionment protections and emergency funding from the State, has allowed and continues to allow the District to weather the fiscal crisis well.

The District budgeted enrollment FTES targets utilizing a 5-year average of actual enrollments encompassing FY 2017-18 through FY 2021-22 to provide realistic stretch goals for enrollment recovery. The combined Summer and Fall 2022 FTES for FY 2022-23 has increased approximately 10% over prior year actual FTES, yet is still approximately 11% below pre-pandemic levels. The District is taking multiple steps to offset this enrollment decline including offering both online and in-person instruction, robust marketing campaigns, and outreach programs to engage former students and encourage hesitant students to enroll in classes.

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	$ 7,745,300
Investments	235,124,070
Accounts receivable	36,386,442
Student receivables, net	3,502,949
Prepaid expenses	309,596
Inventories	30,873
Capital assets	
Nondepreciable capital assets	41,099,818
Depreciable capital assets, net of depreciation	365,310,159
Total capital assets	406,409,977
Total assets	689,509,207
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	29,675,722
Deferred outflows of resources related to OPEB	35,791,546
Deferred outflows of resources related to pensions	61,128,781
Total deferred outflows of resources	126,596,049
Liabilities	
Accounts payable	37,395,051
Accrued interest payable	3,425,388
Unearned revenue	82,313,486
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	12,819,202
Long-term liabilities other than OPEB and pensions, due in more than one year	325,158,651
Aggregate net other postemployment benefits (OPEB) liability	83,450,617
Aggregate net pension liability	151,725,232
Total liabilities	696,287,627
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	19,965,047
Deferred inflows of resources related to pensions	99,063,356
Total deferred inflows of resources	119,028,403
Net Position	
Net investment in capital assets	137,288,097
Restricted for	
Debt service	25,429,664
Capital projects	4,485,547
Educational programs	10,042,289
Other activities	4,329,301
Unrestricted deficit	(180,785,672)
Total Net Position	$ 789,226

Operating Revenues	
Tuition and fees	$ 34,506,685
Less: Scholarship discounts and allowances	(17,642,580)
Net tuition and fees	16,864,105
Grants and contracts, noncapital	
Federal	43,962,675
State	78,224,512
Local	1,129,482
Total grants and contracts, noncapital	123,316,669
Total operating revenues	140,180,774
Operating Expenses	
Salaries	178,421,924
Employee benefits	48,566,953
Supplies, materials, and other operating expenses and services	89,940,426
Student financial aid	101,072,573
Equipment, maintenance, and repairs	17,194,775
Depreciation	19,591,020
Total operating expenses	454,787,671
Operating Loss	(314,606,897)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	144,226,929
Local property taxes, levied for general purposes	60,452,807
Taxes levied for other specific purposes	19,517,539
Federal and State financial aid grants	91,329,510
State taxes and other revenues	10,918,077
Investment income	(3,187,154)
Interest expense on capital related debt	(9,370,465)
Investment income on capital asset-related debt, net	(504,378)
Other nonoperating revenue	12,398,375
Total nonoperating revenues (expenses)	325,781,240
Income Before Other Revenues and (Losses)	11,174,343
Other Revenues and (Losses)	
State revenues, capital	3,533,991
Loss on disposal of capital assets	(4,781)
Total other revenues and (losses)	3,529,210
Change In Net Position	14,703,553
Net Position, Beginning of Year	(13,914,327)
Net Position, End of Year	$ 789,226

Cash Flows from Operating Activities	
Tuition and fees	$ 19,810,524
Federal, state, and local grants and contracts, noncapital	154,042,877
Payments to or on behalf of employees	(233,254,362)
Payments to vendors for supplies and services	(99,608,287)
Payments to students for scholarships and grants	(101,072,573)
Net cash flows from operating activities	(260,081,821)
Cash Flows from Noncapital Financing Activities	
State apportionments	160,173,217
Federal and state financial aid grants	91,329,510
Property taxes - nondebt related	60,452,807
State taxes and other apportionments	10,971,633
Principal paid on noncapital debt	(17,880,000)
Other nonoperating	11,617,778
Net cash flows from noncapital financing activities	316,664,945
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(19,574,739)
State revenue, capital	3,533,991
Property taxes - related to capital debt	19,517,539
Principal paid on capital debt	(9,815,000)
Interest paid on capital debt	(7,433,565)
Interest received on capital asset-related debt	(504,378)
Net cash flows from capital financing activities	(14,276,152)
Cash Flows from Investing Activities	
Loss from sales and maturities of investments	(4,529,452)
Interest received from investments	1,084,524
Net cash flows from investing activities	(3,444,928)
Change In Cash and Cash Equivalents	38,862,044
Cash and Cash Equivalents, Beginning of Year	204,007,326
Cash and Cash Equivalents, End of Year	$ 242,869,370

Reconciliation of Operating Loss	$ (314,606,897)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	19,591,020
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables, net	17,895,209
Inventories	1
Prepaid expenses	(54,139)
Deferred outflows of resources related to OPEB	6,735,213
Deferred outflows of resources related to pensions	17,035,389
Accounts payable	7,421,669
Unearned revenue	15,777,418
Compensated absences	356,814
Load banking	52,591
Claims liability	48,062
Aggregate net OPEB liability	(19,147,590)
Aggregate net pension liability	(120,971,419)
Deferred inflows of resources related to OPEB	18,790,279
Deferred inflows of resources related to pensions	90,994,559
Total adjustments	54,525,076
Net cash flows from operating activities	$ (260,081,821)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 7,193,683
Cash with fiscal agent	551,617
Cash in county treasury	235,124,070
Total cash and cash equivalents	$ 242,869,370
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 2,720,659
Amortization of debt premiums	$ 1,892,282
Accretion of interest on capital appreciation bonds	$ 447,848

	Retiree OPEB Trust
Assets	
Investments	$ 3,111,333
Net Position	
Restricted for postemployment benefits other than pensions	$ 3,111,333

	Retiree OPEB Trust
Additions	
District contributions	$ 3,156,425
Interest and investment income, net of fees	(732,901)
Total additions	2,423,524
Deductions	
Benefit payments	2,780,000
Administrative expenses	4,664
Total deductions	2,784,664
Change in Net Position	(361,140)
Net Position - Beginning of Year	3,472,473
Net Position - End of Year	$ 3,111,333

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, 2022, 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

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

Nonoperating Income		
Interest	$	(11)
Change in Net Assets		(11)
Net Assets, Beginning of Year		16,192
Net Assets, End of Year	$	16,181

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

Basis of Accounting

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 $2,088,564 for the year ended June 30, 2022.

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, 2022.

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 school 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.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and MPP’s fiduciary net position have been determined on the same basis as they are reported by the District Plan and MPP. For this purpose, the District Plan and MPP 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, claims liability, compensated absences, load banking, aggregate net pension liability, and aggregate net OPEB 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, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on 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 $44,286,801 of restricted net position, and the fiduciary funds financial statements report $3,111,333 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. 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

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

Adoption of New Standard

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

The provisions of this Statement have been implemented as of July 1, 2021.

Implementation of GASB Statement No. 92

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

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

The requirements of this Statement are effective as follows:

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

The provisions of this Statement have been implemented as of June 30, 2022.

Implementation of GASB Statement No. 93

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

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

The provisions of this Statement have been implemented as of June 30, 2022.

Note 3 - Deposits and Investments

Policies and Practices

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

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

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2022, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 7,123,683	$ -
Cash in revolving	70,000	-
Cash with fiscal agent	551,617	-
Investments	235,124,070	3,111,333
Total deposits and investments	$ 242,869,370	$ 3,111,333

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Investment Pool are rated AAAf/S1 by Fitch Ratings Ltd. as of June 30, 2022. The District's investments in Mutual Funds are not required to be rated, nor have they been rated as of June 30, 2022.

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 Investment Pool	$ 235,124,070	1.19	AAAf/S1
Mutual Funds	3,111,333	No maturity	Not rated
Total	$ 238,235,403		

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, 2022, the District had bank balances of $11,525,996 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, 2022, the District's investment balance of $2,611,333 was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2022:

Investment Type	Fair Value	Fair Value Measuements Using Level 1 Inputs
Mutual funds	$ 3,111,333	$ 3,111,333

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, 2022, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 21,118,107
State Government	
Categorical aid	768,219
Lottery	1,864,138
Other state sources	5,320,572
Local Sources	
Interest	387,505
Property taxes	1,664,102
RCCD Foundation	1,276,918
Other local sources	3,986,881
Total	$ 36,386,442
Student receivables	$ 5,591,513
Less: allowance for bad debt	(2,088,564)
Student receivables, net	$ 3,502,949

Note 6 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2022, was as follows:

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
Capital Assets Not Being Depreciated				
Land	$ 31,668,033	$ -	$ -	$ 31,668,033
Construction in progress	16,017,921	10,741,007	(17,327,143)	9,431,785
Total capital assets not being depreciated	47,685,954	10,741,007	(17,327,143)	41,099,818
Capital Assets Being Depreciated				
Land improvements	19,536,053	412,288	-	19,948,341
Buildings and improvements	524,577,737	18,387,166	-	542,964,903
Furniture and equipment	56,375,971	6,977,095	(1,660,367)	61,692,699
Total capital assets being depreciated	600,489,761	25,776,549	(1,660,367)	624,605,943
Total capital assets	648,175,715	36,517,556	(18,987,510)	665,705,761
Less Accumulated Depreciation				
Land improvements	(14,791,670)	(815,132)	-	(15,606,802)
Buildings and improvements	(178,554,360)	(15,303,172)	-	(193,857,532)
Furniture and equipment	(48,014,320)	(3,472,716)	1,655,586	(49,831,450)
Total accumulated depreciation	(241,360,350)	(19,591,020)	1,655,586	(259,295,784)
Net capital assets	$ 406,815,365	$ 16,926,536	$ (17,331,924)	$ 406,409,977

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, 2022, the District has not recorded a value for the collection in the financial statements.

Note 7 - Tax and Revenue Anticipation Notes

On March 17, 2021, the District issued Tax and Revenue Anticipation Notes in the amount of $17,880,000 bearing an interest rate of 0.25%. The Notes matured on December 30, 2021. The Notes were issued to supplement cash flows as a hedge against state apportionment deferrals. As of June 30, 2022, the Notes were repaid in full.

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
2021 0.25% TRANS	$ 17,880,000	$ -	$ (17,880,000)	$ -

Note 8 - Long-Term Liabilities other than OPEB and Pensions

Long-Term Liabilities Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2022 consisted of the following:

	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022	Due in One Year
General obligation bonds	$ 313,417,334	$ 447,848	$ (9,815,000)	$ 304,050,182	$ 9,955,000
Bond premium	18,293,599	-	(1,892,282)	16,401,317	-
Compensated absences	5,385,609	356,814	-	5,742,423	2,864,202
Load banking	900,948	52,591	-	953,539	-
Claims liability	10,782,330	48,062	-	10,830,392	-
Total	$ 348,779,820	$ 905,315	$ (11,707,282)	$ 337,977,853	$ 12,819,202

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. 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 yields 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, 2022, the Series 2010D bonds had a principal balance outstanding of $8,130,182 and unamortized premium cost of $651,556.

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, 2022, the principal balance outstanding was $20,065,000. Unamortized premium received on issuance of the bonds amounted to $1,532,103 as of June 30, 2022.

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, 2022, the principal balance outstanding was $985,000. Unamortized premium received on issuance of the bonds amounted to $3,384,929 as of June 30, 2022.

2004 General Obligation Bonds, Series 2019F

During October 2019, the District issued the 2004 General Obligation Bonds, Series 2019F in the amount of $39,995,000. The bonds mature beginning on August 1, 2020 through August 1, 2039, with interest yields ranging from 3.00% to 4.00%. At June 30, 2022, the principal outstanding was $37,560,000 and unamortized premium cost of $3,341,757.

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, 2022, the principal balance outstanding was $97,795,000. Unamortized premium received on issuance of the bonds amounted to $7,490,972 as of June 30, 2022.

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, 2022, 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	$ 9,242,334	$ -	$ 447,848	$ (1,560,000)	$ 8,130,182
2014	2028	0.40%-5.00%	73,090,000	25,700,000		-	(5,635,000)	20,065,000
2015	2033	2.00%-5.00%	43,920,000	1,085,000	-	-	(100,000)	985,000
2019	2040	3.00%-4.00%	39,995,000	38,715,000	-	-	(1,155,000)	37,560,000
2019	2041	3.00%-4.00%	100,295,000	98,080,000	-	-	(285,000)	97,795,000
2021	2040	0.014%-2.70%	140,595,000	140,595,000	-	-	(1,080,000)	139,515,000
				$ 313,417,334	$ -	$ 447,848	$ (9,815,000)	$ 304,050,182

The bonds mature through 2041 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2023	$ 9,912,292	$ 42,708	$ 8,072,123	$ 18,027,123
2024	9,215,764	144,236	7,787,174	17,147,174
2025	9,859,186	270,814	7,511,772	17,641,772
2026	9,592,940	557,060	7,334,078	17,484,078
2027	10,865,000	-	7,210,779	18,075,779
2028-2032	67,515,000	-	32,380,899	99,895,899
2033-2037	97,550,000	-	20,849,853	118,399,853
2038-2041	89,540,000	-	4,718,616	94,258,616
Total	$ 304,050,182	$ 1,014,818	$ 95,865,294	$ 400,930,294

Note 9 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2022, 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	$ 82,467,733	$ 35,791,546	$ 19,965,047	$ 6,581,080
Medicare Premium Payment (MPP) Program	982,884	-	-	(203,178)
Total	$ 83,450,617	$ 35,791,546	$ 19,965,047	$ 6,377,902

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, 2022, 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, 2022, the District contributed $3,156,425 to the Plan, of which $2,780,000 was used for current premiums and $376,425 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, 2022:

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighed rate of return on investments, net of investment expense, was -12.29%. 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 $82,467,733 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 July 1, 2022. The components of the net OPEB liability of the District at June 30, 2022, were as follows:

Total OPEB liability	$ 85,579,066
Plan fiduciary net position	(3,111,333)
Net OPEB liability	$ 82,467,733
Plan fiduciary net position as a percentage of the total OPEB liability	3.64%

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent, average, including inflation
Discount rate	4.09 percent
Investment rate of return	7.01 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00 percent for 2022-2023, trending down to an ultimate rate of 3.94%

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, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. 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, 2021	$ 104,884,618	$ 3,472,473	$ 101,412,145
Service cost	5,504,586	-	5,504,586
Interest	2,351,137	-	2,351,137
Difference between expected and actual experience	(9,193,626)	-	(9,193,626)
Contributions - employer	-	3,156,425	(3,156,425)
Expected investment income	-	(732,901)	732,901
Changes of assumptions	(12,862,377)	-	(12,862,377)
Benefit payments	(5,105,272)	(2,780,000)	(2,325,272)
Administrative expense	-	(4,664)	4,664
Net change in total OPEB liability	(19,305,552)	(361,140)	(18,944,412)
Balance, June 30, 2022	$ 85,579,066	$ 3,111,333	$ 82,467,733

The discount rate was changed from 2.18% to 4.09% since the previous valuation. The healthcare trend rate was changed from 6.75% to 7.00% trending downward to an ultimate rate of 3.94% 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 (3.09%)	$ 89,583,763
Current discount rate (4.09%)	82,467,733
1% increase (5.09%)	75,798,743

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

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

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (6.00% trending down to an ultimate rate of 2.94%)	$ 72,935,611
Current healthcare cost trend rate (7.00% trending down to an ultimate rate of 3.94%)	82,467,733
1% increase (8.00% trending down to an ultimate rate of 4.94%)	93,737,174

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2022, 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	$ 1,558,218	$ 8,202,479
Changes of assumptions	33,739,816	11,762,568
Net difference between projected and actual earnings on OPEB plan investments	493,512	-
Total	$ 35,791,546	$ 19,965,047

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
2023	$ 4,580,788
2024	4,585,068
2025	4,586,516
2026	4,708,932
2027	3,098,274
Thereafter	(5,733,079)
Total	$ 15,826,499

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, 2020 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, 2022, the District reported a liability of $982,884 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. 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, 2021 and June 30, 2020, was 0.2464% and 0.2799%, respectively, resulting in a net decrease in the proportionate share of 0.0335%.

For the year ended June 30, 2022, the District recognized OPEB expense of ($203,178).

Actuarial Methods and Assumptions

The June 30, 2021 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021, using the assumptions listed in the following table:

Measurement Date	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2020	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.16%	2.21%
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, 2020, 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.

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 245 or an average of 0.16% of the potentially eligible population (152,062).

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, 2021, 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, 2021, is 2.16%. 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 2.16%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.05% from 2.21% as of June 30, 2020.

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 (1.16%)	$ 1,083,407
Current discount rate (2.16%)	982,884
1% increase (3.16%)	896,996

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 (3.5% Part A and 4.4% Part B)	$ 893,817
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	982,884
1% increase (5.5% Part A and 6.4% Part B)	1,084,994

Note 10 - 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, 2022, 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 2021-2022, 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, 2020 to June 30, 2022:

	Self - Insurance
Liability Balance, July 1, 2020	$ 7,700,946
Claims and changes in estimates	16,838,498
Claims payments	(13,757,114)
Liability Balance, June 30, 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
Assets available to pay claims at June 30, 2022	$ 26,812,934

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 11 - 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, 2022, 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	$ 74,603,493	$ 43,696,445	$ 68,814,296	$ 6,556,457
CalPERS	77,121,739	17,432,336	30,249,060	10,661,144
Total	$ 151,725,232	$ 61,128,781	$ 99,063,356	$ 17,217,601

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, 2020, 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, 2022, 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	16.92%	16.92%
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, 2022, are presented above, and the District's total contributions were $16,698,330.

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

At June 30, 2022, 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	$ 74,603,493
State's proportionate share of net pension liability associated with the District	37,537,584
Total	$ 112,141,077

The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, was 0.1639% and 0.1606%, respectively, resulting in a net increase in the proportionate share of 0.0033%.

For the year ended June 30, 2022, the District recognized pension expense of $6,556,457. In addition, the District recognized pension expense and revenue of $1,284,302 for support provided by the State. At June 30, 2022, 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	$ 16,698,330	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	16,240,707	1,861,643
Differences between projected and actual earnings on pension plan investments	-	59,013,285
Differences between expected and actual experience in the measurement of the total pension liability	186,886	7,939,368
Changes of assumptions	10,570,522	-
Total	$ 43,696,445	$ 68,814,296

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
2023	$ (14,985,836)
2024	(13,707,144)
2025	(14,047,308)
2026	(16,272,997)
Total	$ (59,013,285)

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
2023	$ 6,896,250
2024	6,505,257
2025	2,659,836
2026	1,469,940
2027	257,754
Thereafter	(591,933)
Total	$ 17,197,104

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, 2020 and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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, 2021, 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%)	$ 151,866,011
Current discount rate (7.10%)	74,603,493
1% increase (8.10%)	10,477,079

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, 2020, 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, 2022, 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%	7.00%
Required employer contribution rate	22.91%	22.91%

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, 2022, are presented above, and the total District contributions were $13,460,742.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $77,121,739. The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, was 0.3793% and 0.3815%, respectively, resulting in a net decrease in the proportionate share of 0.0022%.

For the year ended June 30, 2022, the District recognized pension expense of $10,661,144. At June 30, 2022, 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	$ 13,460,742	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,669,312	470,225
Differences between projected and actual earnings on pension plan investments	-	29,597,027
Differences between expected and actual experience in the measurement of the total pension liability	2,302,282	181,808
Total	$ 17,432,336	$ 30,249,060

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
2023	$ (7,422,909)
2024	(6,826,029)
2025	(7,116,580)
2026	(8,231,509)
Total	$ (29,597,027)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 2,732,933
2024	744,594
2025	(136,935)
2026	(21,031)
Total	$ 3,319,561

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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 130,038,081
Current discount rate (7.15%)	77,121,739
1% increase (8.15%)	33,189,821

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2022, which amounted to $9,615,555 (10.828%) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. 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, 2022. Total contributions to the plan amounted to $669,370.

Note 12 - 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, 2022, the District made payments of $123,565, $44,310, $1,597,951, and $1,813,578 to SELF, RCCCSSIPE, REEP, and SCSRM, respectively.

Note 13 - 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, 2022.

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, 2022.

Construction Commitments

As of June 30, 2022, the District had approximately $41.8 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.

Required Supplementary Information
June 30, 2022

Riverside Community College District

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 5,504,586	$ 5,302,858	$ 1,621,345	$ 1,723,506	$ 1,751,284
Interest	2,351,137	2,695,924	3,144,666	2,976,284	2,928,661
Difference between expected and actual experience	(9,193,626)	(129,893)	1,960,004	701,697	-
Changes of assumptions	(12,862,377)	3,612,704	50,373,442	(846,693)	-
Benefit payments	(5,105,272)	(5,254,816)	(3,304,004)	(4,315,779)	(3,585,234)
Net change in total OPEB liability	(19,305,552)	6,226,777	53,795,453	239,015	1,094,711
Total OPEB Liability - Beginning	104,884,618	98,657,841	44,862,388	44,623,373	43,528,662
Total OPEB Liability - Ending (a)	$ 85,579,066	$ 104,884,618	$ 98,657,841	$ 44,862,388	$ 44,623,373
Plan Fiduciary Net Position					
Contributions - employer	$ 3,156,425	$ 3,455,849	$ 5,546,232	$ 4,679,405	$ 6,209,619
Expected investment income	(732,901)	887,627	205,072	191,351	116,869
Benefit payments	(2,780,000)	(3,100,644)	(5,235,658)	(4,315,779)	(5,968,234)
Administrative expense	(4,664)	(4,629)	(3,040)	(2,718)	(2,197)
Net change in plan fiduciary net position	(361,140)	1,238,203	512,606	552,259	356,057
Plan Fiduciary Net Position - Beginning	3,472,473	2,234,270	1,721,664	1,169,405	813,348
Plan Fiduciary Net Position - Ending (b)	$ 3,111,333	$ 3,472,473	$ 2,234,270	$ 1,721,664	$ 1,169,405
Net OPEB Liability - Ending (a) - (b)	$ 82,467,733	$ 101,412,145	$ 96,423,571	$ 43,140,724	$ 43,453,968
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.64%	3.31%	2.26%	3.84%	2.62%
Covered Payroll	$ 134,621,361	$ 110,528,602	$ 115,037,704	$ 84,110,182	$ 85,823,805
Net OPEB Liability as a Percentage of Covered Payroll	61.26%	91.75%	83.82%	51.29%	50.63%
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.

	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	-12.29%	36.81%	10.87%	18.03%	4.51%

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

Year ended June 30,	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.2464%	0.2799%	0.2717%	0.2527%	0.2355%
Proportionate share of the net OPEB liability	$ 982,884	$ 1,186,062	$ 1,011,907	$ 967,313	$ 990,620
Covered payroll	N/A[1]	N/A[1]	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]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.80%	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2021	June 30, 2020	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.

	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS								
Proportion of the net pension liability	0.1639%	0.1606%	0.1536%	0.1408%	0.1301%	0.1386%	0.1322%	0.1408%
Proportionate share of the net pension liability	$ 74,603,493	$ 155,655,296	$ 138,729,236	$ 129,401,609	$ 120,279,953	$ 112,090,120	$ 89,023,018	$ 82,251,502
State's proportionate share of the net pension liability associated with the District	37,537,584	80,240,323	75,686,060	74,088,473	71,156,604	63,810,906	47,083,363	49,667,008
Total	$ 112,141,077	$ 235,895,619	$ 214,415,296	$ 203,490,082	$ 191,436,557	$ 175,901,026	$ 136,106,381	$ 131,918,510
Covered payroll	$ 94,672,520	$ 91,342,404	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932	$ 62,691,527
Proportionate share of the net pension liability as a percentage of its covered payroll	78.80%	170.41%	156.59%	159.30%	163.79%	159.10%	140.43%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS								
Proportion of the net pension liability	0.3793%	0.3815%	0.3630%	0.3459%	0.3150%	0.3277%	0.3284%	0.3371%
Proportionate share of the net pension liability	$ 77,121,739	$ 117,041,355	$ 105,786,553	$ 92,235,592	$ 75,188,020	$ 64,730,434	$ 48,412,453	$ 38,273,998
Covered payroll	$ 54,408,304	$ 54,715,111	$ 50,257,602	$ 45,678,186	$ 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	141.75%	213.91%	210.49%	201.92%	187.32%	164.71%	133.64%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS								
Contractually required contribution	$ 16,698,330	$ 15,289,612	$ 15,619,551	$ 14,422,750	$ 11,721,821	$ 9,238,158	$ 7,559,706	$ 5,629,470
Less contributions in relation to the contractually required contribution	(16,698,330)	(15,289,612)	(15,619,551)	(14,422,750)	(11,721,821)	(9,238,158)	(7,559,706)	(5,629,470)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 98,689,894	$ 94,672,520	$ 91,342,404	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932
Contributions as a percentage of covered payroll	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS								
Contractually required contribution	$ 13,460,742	$ 11,262,519	$ 10,790,367	$ 9,077,528	$ 7,094,279	$ 5,574,613	$ 4,655,732	$ 4,264,299
Less contributions in relation to the contractually required contribution	(13,460,742)	(11,262,519)	(10,790,367)	(9,077,528)	(7,094,279)	(5,574,613)	(4,655,732)	(4,264,299)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 58,754,876	$ 54,408,304	$ 54,715,111	$ 50,257,602	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160
Contributions as a percentage of covered payroll	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate assumption was changed from 2.18% to 4.09% since the previous valuation. The healthcare trend rate assumption was changed from 6.75% to 7.00% trending downward to an ultimate rate of 3.94% 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 2.21% to 2.16% 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 either CalSTRS or CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions since the previous valuation for either CalSTRS or CalPERS plans.

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, 2022

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, 2022

Member	Office	Term Expires
Bill Hedrick	President	2024
Jose Alcala	Vice President	2022
Virginia Blumenthal	Secretary	2022
Mary Figueroa	Member	2024
Tracey Vackar	Member	2022

Administration as of June 30, 2022

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, 2022

Dr. Lynn Wright Ph.D.	Acting 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
Launa Wilson, Executive Director

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	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]	$ 92,097	$ -
Total U.S. Department of Commerce			92,097	-
U.S. Department of Defense				
Procurement Technical Assistance for Business Firms	12.002		378,357	-
Passed through California State University - San Bernardino				
Inland Empire Cybersecurity Initiative	12.905	H98230-21-1-0174	67,806	
Passed through Solano Community College District				
Defense Manufacturing Communities Support Program	12.600	MCS1292-20-01	6,415	-
Total U.S. Department of Defense			452,578	-
U.S. Department of Justice				
Bulletproof Vest Partnership	16.607		1,153	-
Total U.S. Department of Justice			1,153	-
U.S. Department of Labor				
Passed through American Association of Community Colleges				
Expanding Community College Apprenticeships	17.285	AP-33025-19-75-A-11	248,940	-
Total U.S. Department of Labor			248,940	-
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		37,693,697	-
Federal Pell Grant Program-Administrative Allowance	84.063		59,330	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		1,736,966	-
Federal Supplemental Educational Opportunity Grant Administrative Allowance	84.007		122,779	-
Federal Work-Study Program	84.033		813,432	-
Federal Work-Study Program - Administrative Allowance	84.033		52,587	-
Federal Direct Loans	84.268		1,421,924	-
Subtotal Student Financial Assistance Cluster			41,900,715	-
TRIO Cluster				
Student Support Services	84.042A		1,902,010	-
Talent Search	84.044A		254,522	-
Upward Bound	84.047A		2,103,514	-
Upward Bound - Math and Science	84.047M		333,310	-
Subtotal TRIO Cluster			4,593,356	-
Centers of Excellence for Veteran Student Success	84.116G		92,261	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		163,214	-
COVID 19 - Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		37,976,388	-
COVID 19 - Higher Education Emergency Relief Funds, Institutional Portion	84.425F		29,699,860	-
COVID 19 - Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		857,133	-
Subtotal			68,533,381	-

[1] Pass-Through Identifying Number not available.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
Title V - STEM Project - MC	84.031C		$ 775,566	$ -
Title III - STEM	84.031C		114,354	-
Title V - STEM Engineering Pathways	84.031C		424,095	-
Title V - Pathways to Access, Completion, Equit and Success (PACES)	84.031S		30,097	-
Title V - STEM - RCC	84.031S		543,115	-
Passed through University Enterprise Corporation at CSUSB				
Title V - Here to Career	84.031S	GT16146	35,376	-
Subtotal			1,922,603	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act, Perkins Title I, Part C	84.048A	21-C01-045	1,515,802	-
Regional Collaboration and Coordination	84.048A	[1]	126,086	-
Career and Technical Education, Title I-B Regional Consortia Desert	84.048A	13-156	98,841	-
Subtotal			1,740,729	-
Passed through California Department of Rehabilitation				
Workablity	84.126A	29287	290,060	-
Total U.S. Department of Education			119,236,319	-
U.S. Department of Health and Human Services				
GLS Campus Suicide Prevention	93.243		79,839	-
Passed through California Community Colleges Chancellor's Office				
Foster & Kinship Care Educational Program	93.658	[1]	36,720	-
Temporary Assistance for Needy Families	93.558	[1]	223,051	-
Total U.S. Department of Health and Human Services			339,610	-
U.S. Department of the Treasury				
COVID 19: Coronavirus State And Local Fiscal Recovery Funds	21.027		3,186,736	-
Total U.S. Department of the Treasury			3,186,736	-
U.S. Department of the Homeland Security				
COVID 19: Recovery Costs - FEMA	97.036		1,035,459	-
Total U.S. Department of Homeland Security			1,035,459	-
U.S. Department of the Veterans Affairs				
Veterans Services	64.117		15,394	-
Total U.S. Department of Veterans Affairs			15,394	-
National Science Foundation				
Research and Development Cluster				
GP- Impact: Geoscientist Development	47.050		12,221	-
Data Science Corps	47.070		20,062	-
Improving Undergraduate STEM Education	47.076		5,264	-
Closing STEM Student Equity Gaps	47.076		39,643	-
S-STEM	47.076		38,893	-
S-STEM Accelerating Chemistry Engagement	47.076		92,430	-
Cyber Security	47.076		58,996	-
Norco College Apprenticeship Program	47.076		210,484	-
National Center for Supply Chain Automation	47.076		566,580	321,705
STEM En Familia	47.076		299,638	-
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-000965	25,891	-
Total Research and Development Cluster			1,370,102	321,705
Total Federal Financial Assistance			$ 125,978,388	$ 321,705

[1] Pass-Through Identifying Number not available.

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
AB 86 Adult Education Block Grant	$ 986,302	$ -	$ 374,623	$ 611,679	$ 611,679
Basic Needs Centers	848,658	-	813,598	35,060	35,060
Basic Skills/ESL	1,850,366	-	1,175,805	1,674,561	1,674,561
CAI - Short Order Cooks Apprenticeship Program	34,842	-	22,824	12,018	12,018
Cal Grant B	12,621,026	9,517	-	12,630,543	12,630,543
CalFresh Outreach	66,428	-	15,750	50,679	50,679
California Apprenticeship Initiative - Rural	-	135,701	-	135,701	135,701
California College Promise (AB 19)	1,801,275	-	265,866	1,535,410	1,535,410
California Space Grant Consortium - Fund B	-	5,493	-	5,493	5,493
California Space Grant Consortium - Fund C	1,084	-	770	313	313
California Youth Leadership Corps	-	76,358	-	76,358	76,358
CalWORKs	1,545,033	-	216,935	1,328,098	1,328,098
Campus Safety and Sexual Assault	12,277	-	4,059	8,218	8,218
CARE	392,517	-	49,751	342,766	342,766
CCAP STEM Pathways Academy Grant	455,670	333,333	666,307	122,696	122,696
CELL-Learning Lab	(35)	62,161	-	62,126	62,126
Clean Mobility Voucher Pilot Program	46,777	-	-	46,777	46,777
College and Career Access Pathways	84,691	-	84,607	84	84
Concurrent Enrollment Program	90,042	-	8,278	81,764	81,764
COVID-19 Response Block Grant - State	1,798,311	-	-	1,798,311	1,798,311
CTE Data Unlocked Initiative	50,000	-	-	50,000	50,000
Disabled Student Program & Services - DSPS	4,105,048	-	118,045	3,987,002	3,987,002
Dreamer Resource Liaison Support	419,364	-	337,879	81,485	81,485
Early Childhood Education Center	4,999,712	-	4,988,225	11,487	11,487
EEIC TSNE Uplift Project	-	55,377	-	55,377	55,377
Ext Opp Prog and Serv - EOPS	2,934,176	-	511,394	2,422,782	2,422,782
Faculty and Staff Diversity	156,142	-	154,642	1,500	1,500
Faculty Entrepreneurship Champion Mini-Grant	1,684	-	-	1,684	1,684
Financial Aid Technology	172,489	-	88,963	83,526	83,526
Foster Care Education Program	64,777	-	1,874	62,903	62,903
Foster Parent Pre-Training	6,126	-	-	6,126	6,126

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
GO-Biz	$ 134,039	$ -	$ -	$ 134,039	$ 134,039
Guided Pathways	1,380,481	-	677,486	702,995	702,995
Homeless and Housing Insecure Pilot Program	1,976,846	-	1,838,106	138,740	138,740
Hunger Free Campus Support Allocation	140,739	-	74,985	65,754	65,754
Innovation in Higher Education	916,757	-	718,043	198,714	198,714
Institutional Effectiveness Partnership - Santa Clarita CCD	514,204	-	237,555	276,648	276,648
Instructional Equipment	3,228,821	-	2,480,417	748,404	748,404
K12 & K14 TAP Fund Return	173,812	-	173,812	-	-
K-12 Strong Workforce Program	35,565,907	-	20,752,152	14,813,756	14,813,756
K14 Pathways Technical Assistance Provider	1,483,166	-	705,096	778,070	778,070
LGBTQ+	255,466	-	253,507	1,959	1,959
Library Services Platform	33,894	-	33,894	-	-
Mental Health Support	754,319	-	450,016	304,303	304,303
Middle College High School - Norco	199,500	-	122,603	76,897	76,897
Military Articulation Platform Summit and Funding (MAPS)	2,000,000	-	1,223,071	776,929	776,929
NASA California Space Grant Consortium	7,811	990	-	8,801	8,801
New Workforce Development Center	1,000,000	-	1,000,000	-	-
Nextup (CAFYES)	2,101,262	-	206,752	1,894,510	1,894,510
Nursing Education Program Support	379,725	-	-	379,725	379,725
Pathways to Computing	-	1,789	-	1,789	1,789
Regional Collaboration and Coordination	470,529	-	155,160	315,369	315,369
Retention & Enrollment Outreach	2,717,618	-	2,028,168	689,450	689,450
SFAA - Base	507,914	-	31,267	476,647	476,647
SFAA - Capacity	1,148,633	-	102,135	1,046,498	1,046,498
Song Brown Capitation	-	80,000	-	80,000	80,000
Song Brown Registered Nursing	22,500	7,500	-	30,000	30,000
Staff Development	119,878	-	119,878	-	-
Strong Workforce Program Local	10,555,207	-	4,375,589	6,179,618	6,179,618
Strong Workforce Program Regional	26,651,830	-	12,314,714	14,337,117	14,337,117
Student Equity	5,511,692	-	1,411,604	4,100,088	4,100,088
Student Food & Housing Support (Basic Needs)	838,564	-	711,138	127,426	127,426

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Student Success & Support Program	$ 7,588,393	$ -	$ 1,341,415	$ 6,246,979	$ 6,246,979
UMOJA Community Education Foundation	48,722	-	14,590	34,132	34,132
Veteran Resource Center	645,739	-	372,257	273,481	273,481
Veterans Program	138,566	-	118,946	19,620	19,620
Veterans Resource Center	718,154	-	20,522	697,632	697,632
Workforce Development Program	500,000	-	500,000	-	-
Total state programs	$ 145,975,470	$ 768,219	$ 64,465,073	$ 83,278,617	$ 83,278,617

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2021 Only)			
1. Noncredit*	23.20	-	23.20
2. Credit	2,591.74	-	2,591.74
B. Summer Intersession (Summer 2022 - Prior to July 1, 2022)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	5,774.82	-	5,774.82
(b) Daily Census Contact Hours	814.61	-	814.61
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	92.11	-	92.11
(b) Credit	1,692.63	-	1,692.63
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	9,150.74	-	9,150.74
(b) Daily Census Procedure Courses	4,754.65	-	4,754.65
(c) Noncredit Independent Study/Distance Education Courses	27.49	-	27.49
D. Total FTES	24,921.99	-	24,921.99
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	170.19	-	170.19
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	12.82	-	12.82
2. Credit	30.99	-	30.99
CCFS-320 Addendum			
CDCP Noncredit FTES	37.91	-	37.91
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	1,064.00	-	1,064.00

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

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 41,737,745	$ -	$ 41,737,745	$ 41,737,745	$ -	$ 41,737,745
Other	1300	36,645,699	-	36,645,699	36,645,699	-	36,645,699
Total Instructional Salaries		78,383,444	-	78,383,444	78,383,444	-	78,383,444
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	18,533,434	-	18,533,434
Other	1400	-	-	-	2,476,473	-	2,476,473
Total Noninstructional Salaries		-	-	-	21,009,907	-	21,009,907
Total Academic Salaries		78,383,444	-	78,383,444	99,393,351	-	99,393,351
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	35,888,833	-	35,888,833
Other	2300	-	-	-	2,133,805	-	2,133,805
Total Noninstructional Salaries		-	-	-	38,022,638	-	38,022,638
Instructional Aides							
Regular Status	2200	2,781,139	-	2,781,139	2,781,139	-	2,781,139
Other	2400	332,788	-	332,788	332,788	-	332,788
Total Instructional Aides		3,113,927	-	3,113,927	3,113,927	-	3,113,927
Total Classified Salaries		3,113,927	-	3,113,927	41,136,565	-	41,136,565
Employee Benefits	3000	32,671,830	-	32,671,830	65,630,804	-	65,630,804
Supplies and Material	4000	-	-	-	1,432,025	-	1,432,025
Other Operating Expenses	5000	-	-	-	20,035,539	-	20,035,539
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures		114,169,201	-	114,169,201	227,628,284	-	227,628,284

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ 1,004,274	$ -	$ 1,004,274
Student Health Services Above Amount Collected	6441	-	-	-	106,932	-	106,932
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,794,093	-	1,794,093
Objects to Exclude							
Rents and Leases	5060	-	-	-	1,046,614	-	1,046,614
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	4,210,304	-	4,210,304
Employee Benefits	3000	-	-	-	2,652,800	-	2,652,800
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		-	-	-	10,815,017	-	10,815,017
Total for ECS 84362, 50 Percent Law		$ 114,169,201	$ -	$ 114,169,201	$ 216,813,267	$ -	$ 216,813,267
Percent of CEE (Instructional Salary Cost/Total CEE)		52.66%		52.66%	100.00%		100.00%
50% of Current Expense of Education					$ 108,406,634		$ 108,406,634

See Notes to Supplementary Information

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 60,601,946
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 59,849,630	$ 752,316	$ -	$ 60,601,946
Total Expenditures for EPA		$ 59,849,630	$ 752,316	$ -	$ 60,601,946
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance (unaudited)		
General Funds	$ 77,619,735	
Special Revenue Funds	9,403,151	
Capital Project Funds	22,380,136	
Debt Service Funds	28,855,052	
Internal Service Funds	11,438,025	
Total fund balance - all District funds (unaudited)		$ 149,696,099
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	665,705,761	
Accumulated depreciation is	(259,295,784)	
Total capital assets, net		406,409,977
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	29,675,722	
Deferred outflows of resources related to OPEB	35,791,546	
Deferred outflows of resources related to pensions	61,128,781	
Total deferred outflows of resources		126,596,049
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.		(3,425,388)
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	(316,692,191)	
Compensated absences	(5,742,423)	
Less compensated absences already recorded in District funds	2,864,202	
Load banking	(953,539)	
Aggregate net other postemployment benefits (OPEB) liability	(83,450,617)	
Aggregate net pension liability	(151,725,232)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(3,759,308)	
Total long-term liabilities		(559,459,108)
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	(19,965,047)	
Deferred inflows of resources related to pensions	(99,063,356)	
Total deferred inflows of resources		(119,028,403)
Total net position		$ 789,226

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, 2022.

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, 2022. 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.

Supplementary Information
June 30, 2022

Riverside Community College District

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CPAs & BUSINESS ADVISORS

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

Board of Trustees
Riverside Community College District
Riverside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the remaining fund information of Riverside Community College District (the District) as of and for the year ended June 30, 2022, 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 29, 2022.

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.

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

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*.

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 29, 2022

CPAs & BUSINESS ADVISORS

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

Board of Trustees
Riverside Community College District
Riverside, California

Report on Compliance for Each Major Federal Program

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, 2022. 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 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, 2022.

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.

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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 29, 2022

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

Board of Trustees
Riverside Community College District
Riverside, California

Report on State Compliance

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements described in the 2021-2022 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, 2022.

Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table below that were audited for the year ended June 30, 2022.

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 2021-2022 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the 2021-2022 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 2021-2022 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 2021-2022 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 2021-2022 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 and Non-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 499	COVID-19 Response Block Grant Expenditures

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2021-2022 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 29, 2022

Financial Statements

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

Federal Awards

Internal control over major 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/ Federal CFDA Number
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
Title V - STEM/Hispanic Serving Institutions	84.031C, 84.031S
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between type A and type B programs	$3,000,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

None reported.

None reported.

None reported.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Compliance Findings

None reported.