



**Board of Trustees - Regular Meeting
Board of Trustees Governance Committee,
Teaching and Learning Committee, Planning and
Operations Committee, Facilities Committee and
Resources Committee
Tuesday, November 03, 2015 6:00 PM
Moreno Valley College, Student Academic Services,
General Assembly Room #121
16130 Lasselle Street, Moreno Valley, CA 92551**

ORDER OF BUSINESS

Pledge of Allegiance

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

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

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

I. COMMENTS FROM THE PUBLIC

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

II. PUBLIC HEARING (NONE)

III. CHANCELLOR'S REPORT

- A. [Chancellor's Communications](#)
Information Only

IV. BOARD COMMITTEE REPORTS

- A. Governance (None)
B. Teaching and Learning (None)
C. Planning and Operations (None)
D. Resources

1. [FY 2014-2015 Proposition 39 Financial and Performance Audits](#)

The Committee to review the Proposition 39 independent financial and performance audits of the District's Measure C general obligation bond for the year ended June 30, 2015 for the permanent file of the District.

2. [Establishment of Other Post-Employment Benefits \(OPEB\) Irrevocable Trust – Approval of Agreement with CalPERS, Delegation of Authority to Request Disbursements, and Resolution No. 15-15/16 – Establishment of a New Internal Service Fund.](#)

The Committee to review the agreement with CalPERS - California Employers' Retiree Benefit Trust to administer the District's Other Post-Employment Benefits irrevocable trust; Delegation of Authority to request disbursements from the irrevocable trust; and the resolution to establish a new Internal Service Fund to account for financial activity associated with the District's OPEB Obligation Funding Plan.

3. [Allocation of \\$309,328 for additional small wares and equipment costs \(Groups I and II\) for the Culinary Arts Academy project.](#)

The Committee to review the allocation of additional funds to the project budget in the amount of \$309,328 for additional small wares and equipment costs (Groups I and II) for the Culinary Arts Academy project.

- E. Facilities (None)
- V. OTHER BUSINESS (NONE)
- VI. CLOSED SESSION

- A. [Conference with Labor Negotiators Pursuant to Government Code Section 54957.6, District Representatives: Bradley Neufeld of Gresham Savage, Employee Organization: California School Employees Association](#)

Recommended Action to be Determined.

- VII. ADJOURNMENT

Agenda Item (III-A)

Meeting 11/3/2015 - Committee
Agenda Item Chancellor's Report (III-A)
Subject Chancellor's Communications
College/District District
Information Only

Background Narrative:

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

Prepared By: Michael Burke, Ph.D., Chancellor
Heidi Gonsier, Executive Administrative Assistant

Attachments:

Agenda Item (IV-D-1)

Meeting	11/3/2015 - Committee
Agenda Item	Committee - Resources (IV-D-1)
Subject	FY 2014-2015 Proposition 39 Financial and Performance Audits
College/District	District
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees receive the Proposition 39 independent financial and performance audits of the District's Measure C general obligation bond for the year ended June 30, 2015 for the permanent file of the District.

Background Narrative:

In accordance with the provisions of Proposition 39, independent financial and performance audits of the District's Measure C general obligation bond were performed by Vicenti, Lloyd and Stutzman LLP (VLS). A representative of the audit firm will be available to present and discuss the reports. Results of the audits are summarized below.

- Auditor's Opinion – The auditors have issued unmodified opinions for both the financial and performance audits as of June 30, 2015 and 2014.
- Audit Findings – There were no findings or questioned costs related to the financial and performance audits.
- Auditor's Required Communication – In accordance with the Statement on Auditing Standards No. 114, at the conclusion of the audit engagement VLS is required to communicate information to the Board of Trustees regarding their responsibility under United States Generally Accepted Auditing Standards. Attached for your information is the required communication.
- The audit report was presented to the Citizens Bond Oversight Committee at its regularly scheduled meeting on October 15, 2015.

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

Attachments:

[11032015_2014-2015 Proposition 39 SAS 114 Letter and Financial and Performance Audit](#)



October 15, 2015

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

This letter is intended to ensure that the Board of Trustees and the Measure C Citizens' Bond Oversight Committee of Riverside Community College District (the "District") receives additional information regarding the scope and results of the audit of the General Obligation Bond Funded Capital Outlay Projects that may assist in overseeing the financial reporting and disclosure process for which management is responsible.

These communications relate to the financial statement audit of the General Obligation Bond Funded Capital Outlay Projects that has been performed by Vicenti, Lloyd & Stutzman LLP ("VLS") for the year ended June 30, 2015, and other relevant information relating to VLS' relationship with the District. Our objective is to communicate certain information that is required to be communicated to those charged with governance by professional auditing standards.

The following summarizes various matters which must be communicated to you under auditing standards generally accepted in the United States of America.

The Auditor's Responsibility under Applicable Auditing Standards

Our audit of the financial statements of the General Obligation Bond Funded Capital Outlay Projects for the year ended June 30, 2015 was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplished that objective.

Riverside Community College District
October 15, 2015
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Qualitative Aspects of Accounting Practices

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period which should be brought to your attention for approval. No significant or unusual transactions or significant accounting policies related to controversial or emerging areas for which there is a lack of authoritative guidance or consensus were noted. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us it used all the relevant facts available at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include such items as establishing the accruals of receivables and liabilities. We believe management's estimates are reasonable, based on our audit. However, estimates are subject to change because of future events, and the ultimate amounts realized may differ from those provided.

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

Difficulties Encountered in Performing the Audit

There were no difficulties encountered in dealing with management in performing and completing both the financial and performance audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We accumulated no uncorrected misstatements for the fiscal year ended June 30, 2015. The following misstatements detected as a result of audit procedures were corrected by management:

- The June 30, 2014 receivable from the Foundation for \$92,217 was reaccrued as of June 30, 2015
- A payable for the balance due on a contract of \$852,805 was accrued in error. Services had not been rendered and the District had not yet incurred an obligation.

Riverside Community College District
October 15, 2015
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Disagreement with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the audit report. We are pleased to report that we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments or any significant matters.

Management Representations

We have requested certain representations from management including but not limited to the fair presentation of the financial statements, application of generally accepted accounting principles and management's responsibility for establishing and maintaining effective internal controls. These as well as other representations are included in the management representation letter dated October 8, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. We are not aware of any consultations management had with other accountants about auditing and accounting matters related to the General Obligation Bond Funded Capital Outlay Projects.

Other Information in Documents Containing Audited Financial Statements

We are not aware of other documents that contain the audit report of the General Obligation Bond Funded Capital Outlay Projects. When such documents are to be published, such as an Annual Report, we have a responsibility to determine that such financial information is not materially inconsistent with the audited statements of the General Obligation Bond Funded Capital Outlay Projects.

Other Audit Findings or Issues

No management letter was issued related to the audit of the General Obligation Bond Funded Capital Outlay Projects for the year ended June 30, 2015. Similarly, no major issues were discussed with management prior to our recurring retention to perform the aforementioned audit.

Independence

Vicenti Lloyd & Stutzman LLP is independent with respect to the District. Our quality control processes are established to ensure our continuing independence.

Riverside Community College District
October 15, 2015
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Closing

We will be pleased to respond to any questions you have about the foregoing. If you would like any information or would like to discuss any of the matters raised, please do not hesitate to contact Renee Graves at (626) 857-7300. We appreciate the opportunity to continue to be of service to Riverside Community College District.

This letter is intended solely for the information and use of the Board of Trustees, Measure C Citizens' Bond Oversight Committee, management and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP

RIVERSIDE COMMUNITY COLLEGE DISTRICT

RIVERSIDE COUNTY

**REPORT ON PROPOSITION 39 FUNDING
FINANCIAL AND PERFORMANCE AUDITS**

June 30, 2015

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**REPORT ON PROPOSITION 39 FUNDING
FINANCIAL AND PERFORMANCE AUDIT**

June 30, 2015

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**INDEPENDENT AUDITOR’S REPORT ON
PROPOSITION 39 GENERAL OBLIGATION BOND
FUNDED CAPITAL OUTLAY PROJECTS**

The Board of Trustees
The Measure C Citizens’ Bond Oversight Committee
Riverside Community College District
Riverside, California

Report on the Financial Statements

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the General Obligation Bond Funded Capital Outlay Projects of the Riverside Community College District (the District) as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District’s General Obligation Bond Funded Capital Outlay Projects financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Obligation Bond Funded Capital Outlay Projects of the District as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

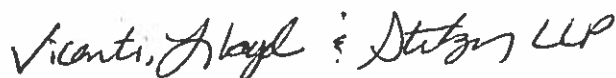
Other Matters

Our audit was conducted for the purpose of forming an opinion on the District's General Obligation Bond Funded Capital Outlay Projects financial statements. The supplementary schedule is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 October 8, 2015 on our consideration of the District's internal control over the General Obligation Bond Funded Capital Outlay Projects 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over the General Obligation Bond Funded Capital Outlay Projects 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 the General Obligation Bond Funded Capital Outlay Projects financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
October 8, 2015

RIVERSIDE COMMUNITY COLLEGE DISTRICT
BALANCE SHEET
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS
June 30, 2015

<u>Assets</u>	
Cash in county treasury	\$ 10,667,006
Accounts receivable	98,352
Total Assets	<u><u>\$ 10,765,358</u></u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts payable	\$ 6,037,208
Due to other funds, Net	2,838,458
Total Liabilities	<u><u>8,875,666</u></u>
Fund Balance	
Restricted	1,889,692
Total Fund Balance	<u><u>1,889,692</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 10,765,358</u></u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS
 For the Fiscal Year Ended June 30, 2015**

Revenues	
Contributions	\$ 424,099
Interest and investment income	<u>88,451</u>
Total Revenues	<u>512,550</u>
Expenditures	
Classified salaries	289,648
Benefits	137,687
Other services	300,485
Capital outlay	<u>37,875,121</u>
Total Expenditures	<u>38,602,941</u>
Deficiency of revenues over expenditures	<u>(38,090,391)</u>
Other Financing Uses	
Transfers out	<u>(193,605)</u>
Total Other Financing Uses	<u>(193,605)</u>
Net change in fund balance	(38,283,996)
Fund Balance at Beginning of Year	<u>40,173,688</u>
Fund Balance at End of Year	<u>\$ 1,889,692</u>

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

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL**

GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS

For the Fiscal Year Ended June 30, 2015

	<u>Budget *</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Contributions	\$ 139,456	\$ 424,099	\$ 284,643
Interest and investment income	155,000	88,451	(66,549)
Total Revenues	<u>294,456</u>	<u>512,550</u>	<u>218,094</u>
Expenditures			
Classified salaries	624,500	289,648	334,852
Benefits	312,891	137,687	175,204
Supplies	124	-	124
Other services	305,849	300,485	5,364
Capital outlay	<u>97,784,609</u>	<u>37,875,121</u>	<u>59,909,488</u>
Total Expenditures	<u>99,027,973</u>	<u>38,602,941</u>	<u>60,425,032</u>
Deficiency of revenues over expenditures	<u>(98,733,517)</u>	<u>(38,090,391)</u>	<u>60,643,126</u>
Other Financing Uses			
Transfers out	<u>(313,550)</u>	<u>(193,605)</u>	<u>119,945</u>
Total Other Financing Uses	<u>(313,550)</u>	<u>(193,605)</u>	<u>119,945</u>
Net change in fund balance	<u>\$ (99,047,067)</u>	<u>(38,283,996)</u>	<u>\$ 60,763,071</u>
Fund Balance at Beginning of Year		<u>40,173,688</u>	
Fund Balance at End of Year		<u>\$ 1,889,692</u>	

* The budget for revenues reflects estimated amounts to be received in the current year. The budget for expenditures reflects total projects costs and does not necessarily coincide with actual planned expenditures in the current year.

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

FUND STRUCTURE

The Statement of Revenues, Expenditures and Change in Fund Balance is a statement of financial activities of the General Obligation Bond Funded Capital Outlay Projects related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, this statement does not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

BASIS OF ACCOUNTING

The General Obligation Bond Funded Capital Outlay Projects is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

During the year, Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

BUDGET

The Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual includes a column titled “Budget”. The amounts in this column represent the budget adopted by the Board and all amendments throughout the year.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

FUND BALANCE CLASSIFICATION

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted. The fund balance of the General Obligation Bond Funded Capital Outlay Projects is therefore classified as restricted.

CAPITAL ASSETS AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Funded Capital Outlay Projects are determined by its measurement focus. The General Obligation Bond Funded Capital Outlay Projects is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the General Obligation Bond Funded Capital Outlay Projects are accounted for in the basic financial statements of the Riverside Community College District.

ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 2 - DEPOSITS – CASH IN COUNTY TREASURY:

In accordance with Education Code Section 41001, the District maintains all of its cash in the Riverside County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value. The fair value is 100.01% of the District's deposits for the General Obligation Bond Funded Capital Outlay Projects in this pool as of June 30, 2015, as provided by the County Treasurer.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

NOTE 3 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

There were no excess of expenditures over appropriations, by major object accounts.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 4 – BONDED DEBT:

On March 2, 2004, the voters of Riverside Community College District approved Measure C, a \$350 million bond measure designed to provide funds to improve facilities and safety at the Moreno Valley, Norco, and Riverside Colleges. The outstanding related bonded debt for the District at June 30, 2015 is:

<u>Issue Date</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2014</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2015</u>
2004A	4.00-5.25%	2015	\$ 55,205,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
2005 Refunding	3.00-5.00%	2016	58,386,109	1,695,285		797,240	898,045
2007C	4.00-5.00%	2033	90,000,000	44,430,000		-	44,430,000
2010D	2.36-5.53%	2026	7,699,278	7,699,278			7,699,278
2010D-1	6.97-7.02%	2041	102,300,000	102,300,000			102,300,000
2014 Refunding	0.40-5.00%	2028	73,090,000	73,090,000	-	1,320,000	71,770,000
			<u>\$386,680,387</u>	<u>\$230,214,563</u>	<u>\$ -</u>	<u>\$ 3,117,240</u>	<u>\$227,097,323</u>

Series A & B

In August 2004, the District issued the General Obligation Bonds, Series A in the amount of \$55,205,000. Series A Bonds were issued to finance the acquisition, construction, and modernization of property and school facilities and to refund the District's outstanding Certificates of Participation (1993 Financing Project). Series B Bonds for \$9,795,000 were also issued in August 2004 to advance refund the District's outstanding Certificates of Participation (2001 Refunding Project). The Series B Bonds were paid in full as of June 30, 2008 and the Series A Bonds were paid in full as of June 30, 2015.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015**

NOTE 4 – BONDED DEBT: (continued)

Refunding

In June 2005, the District issued the General Obligation Refunding Bonds, Series 2004A in the amount of \$58,386,109 to advance refund all or a portion of the outstanding principal amount of the District’s General Obligation Series A Bonds and to pay costs of issuance associated with the Bonds. The annual requirements to amortize Refunding Bonds payable, outstanding as of June 30, 2015, are as follows:

Issue Date	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2014
2004A	4.00-5.25%	2015	\$ 55,205,000	\$ 1,000,000
2005 Refunding	3.00-5.00%	2016	58,386,109	1,695,285
2007C	4.00-5.00%	2033	90,000,000	44,430,000

Capital appreciation bonds were issued as part of the 2005 refunding issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long term debt balance on the District’s financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 4 – BONDED DEBT: (continued)

Series C

In June 2007, the District issued the General Obligation Bonds, Series C in the amount of \$90,000,000. The bonds were issued to finance 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 annual requirements to amortize Series C Bonds payable, outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$	\$ 2,221,500	\$ 2,221,500
2017		2,221,500	2,221,500
2018		2,221,500	2,221,500
2019		2,221,500	2,221,500
2020		2,221,500	2,221,500
2021-2025		11,107,500	11,107,500
2026-2030	19,870,000	10,631,500	30,501,500
2031-2033	24,560,000	1,940,500	26,500,500
	<u>\$ 44,430,000</u>	<u>\$ 34,787,000</u>	<u>\$ 79,217,000</u>

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 4 – BONDED DEBT: (continued)

Series D & D-1

In October 2011, the District issued General Obligation Bonds, Series D and D-1 in the amount of \$109,999,278. These bonds consisted of \$7,699,278 tax-exempt Series D bonds and \$102,300,000 in federally taxable Build America Bonds Series D-1. The Build America Bonds program was created by the American Recovery and Reinvestment Act to assist state and local governments in financing capital projects at lower borrowing costs and to stimulate the economy and create jobs.

The District elected to treat the Series D-1 bonds as “Build America Bonds” under Section 54AA of the Tax Code, and the Series D-1 Bonds be “qualified bonds” under Section 54AA(g)(2) of the Tax Code which make the District eligible for a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Series D-1 Bonds. The District will deposit the cash subsidy payments with the County to be credited to the Debt Service Fund for the Series D-1 Bonds. Cash subsidy payments are expected to be received contemporaneously with each interest payment date. The annual requirements to amortize Series D Bonds payable, outstanding as of June 30, 2015, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total</u>
2016	\$ 216,214	\$ 158,786	\$ 375,000
2017	292,495	277,505	570,000
2018	349,375	415,625	765,000
2019	394,266	575,734	970,000
2020	425,056	749,944	1,175,000
2021-2025	4,586,448	4,273,552	8,860,000
2026	1,435,424	1,769,576	3,205,000
	<u>\$ 7,699,278</u>	<u>\$ 8,220,722</u>	<u>\$ 15,920,000</u>

Capital appreciation bonds were issued as part of the 2011 Series D issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long term debt balance on the District’s financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 4 – BONDED DEBT: (continued)

Series D & D-1 (continued)

The annual requirements to amortize Series D-1 Build America Bonds payable, outstanding as of June 30, 2015, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$	\$ 7,322,979	\$ 7,322,979
2017		7,441,698	7,441,698
2018		7,579,818	7,579,818
2019		7,739,927	7,739,927
2020		7,914,137	7,914,137
2021-2025		40,094,517	40,094,517
2026-2030		37,590,541	37,590,541
2031-2035	26,295,000	34,024,887	60,319,887
2036-2040	60,760,000	18,820,265	79,580,265
2041	15,245,000	1,070,351	16,315,351
	<u>\$ 102,300,000</u>	<u>\$ 169,599,120</u>	<u>\$ 271,899,120</u>

Refunding

In April 2014, the District issued General Obligation Refunding Bonds, Series A (Tax Exempt) in the amount of \$29,130,000 to advance refund all or a portion of the outstanding principal amount of the District’s General Obligation Series A Bonds, 2005 Refunding Bonds and General Obligation Series C Bonds and to pay costs of issuance associated with the Bonds. General Obligation Refunding Bonds, Series B (Federally Taxable) in the amount of \$43,960,000 were also issued to advance refund a portion of the outstanding principal amount of the District’s 2005 Refunding Bonds and to pay costs of issuance associated with the Bonds. The annual requirements to amortize Refunding Bonds payable, outstanding as of June 30, 2015, are as follows:

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 4 – BONDED DEBT: (continued)

Refunding (continued)

Year Ended June 30,	Principal	Interest	Total
2016	\$ 615,000	\$ 2,558,866	\$ 3,173,866
2017	3,780,000	2,555,188	6,335,188
2018	4,085,000	2,510,946	6,595,946
2019	4,400,000	2,445,195	6,845,195
2020	4,770,000	2,347,375	7,117,375
2021-2025	30,875,000	9,221,385	40,096,385
2026-2028	23,245,000	2,382,500	25,627,500
	<u>\$ 71,770,000</u>	<u>\$ 24,021,455</u>	<u>\$ 95,791,455</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various claims and legal actions related to various construction projects. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District’s General Obligation Bond Funded Capital Outlay Projects financial statements

B. Purchase Commitments

As of June 30, 2015, the District was committed under various capital expenditure purchase agreements for bond projects in process totaling approximately \$50,106,000.

NOTE 6 – SUBSEQUENT EVENT

In July 2015, the District issued General Obligation Bonds, Series 2015E in the amount of \$45,004,145 to finance the costs of constructing and equipping District buildings and other facilities and to pay certain costs of issuance associated with the Bonds. In addition, 2015 General Obligation Refunding Bonds in the amount of \$43,920,000 were issued to advance refund the outstanding principal amount of the District’s General Obligation Series 2007C Bonds, and to pay certain costs of issuance of the Refunding Bonds.



**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***

The Board of Trustees
The Measure C Citizens’ Bond Oversight Committee
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 Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the General Obligation Bond Funded Capital Outlay Projects of the Riverside Community College District (the District), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the General Obligation Bond Funded Capital Outlay Projects basic financial statements, and have issued our report thereon dated October 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over the General Obligation Bond Funded Capital Outlay Projects financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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.

**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***

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's General Obligation Bond Funded Capital Outlay Projects financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
October 8, 2015

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**FINANCIAL AUDIT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2015**

There were no findings related to the financial audit of the General Obligation Bond Funded Capital Outlay Projects for the fiscal years ended June 30, 2015, and June 30, 2014.

**PERFORMANCE AUDIT OF THE GENERAL OBLIGATION BOND
FUNDED CAPITAL OUTLAY PROJECTS**



**INDEPENDENT AUDITOR'S REPORT
ON PROPOSITION 39 GENERAL OBLIGATION
BOND FUNDED CAPITAL OUTLAY PROJECTS
COMPLIANCE REQUIREMENTS**

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

We have conducted a performance audit of the Riverside Community College District (the "District"), Measure C General Obligation Bond funds for the fiscal year ended June 30, 2015.

We conducted our performance audit in accordance with *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 20 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure C General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Sections 15264 and 15272 – 15286 of the California Education Code as they apply to the Bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution and Sections 15264 and 15272 – 15286 of the California Education Code. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that, in all significant respects, the District expended Measure C General Obligation Bond funds for the fiscal year ended June 30, 2015, only for the specific projects developed by the District's Board of Trustees, and approved by the voters in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution and Sections 15624 and 15272 – 15286 of the California Education Code.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
October 8, 2015

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2015**

BACKGROUND INFORMATION

In November, 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. On March 2, 2004, the voters of Riverside Community College District approved Measure C, a \$350 million bond measure designed to provide funds to improve facilities and safety at the Moreno Valley, Norco, and Riverside campuses.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Trustees of the District established a Citizens' Bond Oversight Committee and appointed its members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure C Bond authorization. The Citizens' Bond Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct, an annual independent performance audit to ensure that the proceeds of the bonds deposited into the General Obligation Bond Funded Capital Outlay Projects – Measure C Bond Program have been expended only for the authorized bond projects.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2015**

OBJECTIVES

The objectives of our Performance Audit were to:

- Determine the expenditures charged to the Riverside Community College District Measure C General Obligation Bond Funded Capital Outlay Projects.
- Determine whether expenditures charged to the Measure C General Obligation Bond Funded Capital Outlay Projects have been made in accordance with the bond project list approved by the voters through the approval of Measure C in March 2004.
- Note incongruities, system weaknesses, or non-compliance with specific California Education Code sections related to bond oversight and provide recommendations for improvement.
- Provide the District Board of Trustees and the Measure C Citizens' Bond Oversight Committee with a performance audit as required under the provisions of the California Constitution and Proposition 39.

SCOPE OF THE AUDIT

The scope of our Performance Audit covered the fiscal period from July 1, 2014 to June 30, 2015. The sample of expenditures tested included object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2015, were not reviewed or included within the scope of our audit or in this report.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2015**

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2015 for the General Obligation Bond Funded Capital Outlay Projects – Measure C Bond Program. We also reviewed documentation, including the District website, for compliance with Education Code Sections 15264 and 15272 – 15286. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure C with regards to the approved bond projects list. We performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set forth in the Measure C election documents.
- We selected a sample of expenditures for the fiscal year ended June 30, 2015 and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.
- We verified on a sample basis that funds from the General Obligation Bond Funded Capital Outlay Projects – Measure C Bond Program were expended on authorized bond projects. In addition, we verified that funds held in the General Obligation Bond Funded Capital Outlay Projects – Measure C Bond Program were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2015**

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Bond Funded Capital Outlay Projects – Measure C Bond Program and that such expenditures were made for authorized bond projects. Further, it was noted that the funds held in the Bond Funded Capital Outlay Projects – Measure C Bond Program and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2015**

There were no findings related to the performance audit for the fiscal year ended June 30, 2015.

SUPPLEMENTARY INFORMATION

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
 BOND PROJECT SUMMARY
 June 30, 2015**

The District has identified the following projects to be funded with proceeds from the general obligation bonds. The District incurred costs of \$279,611,065 through June 30, 2015 for these construction projects. Capital outlay and other financing expenditures were as follows:

	BUDGET	TOTAL PROJECT COSTS THROUGH June 30, 2014	2015 ACTUAL COSTS	TOTAL PROJECT COSTS THROUGH June 30, 2015
Phase I - Parking Structure - Riverside	\$ 20,940,662	\$ 20,940,662	\$ -	\$ 20,940,662
Wheelock PE Complex/Athletic Field - Riverside	4,516,435	4,516,435	-	4,516,435
Swing Space - Riverside	4,273,734	4,273,733	-	4,273,733
Quad Modernization - Riverside	8,918,800	9,171,807	-	9,171,807
RCCD System Office Purchase	2,629,981	2,629,981	-	2,629,981
MLK Renovation - Riverside	1,010,614	1,010,614	-	1,010,614
Bridge Space - Riverside	1,175,132	1,175,132	-	1,175,132
Industrial Technology Facility Project - Norco	9,620,416	9,715,349	-	9,715,349
Computer/Network/ System Upgrades - District Wide	1,002,043	1,002,052	-	1,002,052
Phone and Voicemail Upgrades - District Wide	349,000	349,000	-	349,000
Scheduled Maintenance - Historic - District Wide	1,403,045	1,403,045	-	1,403,045
Nursing/Sciences Building - Riverside	18,272,600	16,399,555	22,670	16,422,225
Student/Academic Services Facility Project - Moreno Valley	7,044,265	5,795,021	47,912	5,842,933
Wheelock PE Complex Gymnasium Retrofit - Phase I & II - Riverside	13,738,332	13,122,515	74,822	13,197,337
Feasibility / Planning / Management / Staffing	5,200,153	4,007,270	400,349	4,407,619
Stokoe Innovative Learning Center - Riverside	7,399,505	7,399,506	-	7,399,506
ECS Secondary Effects - Moreno Valley	286,227	286,227	-	286,227
Room Renovations - Norco	100,019	100,019	-	100,019
Food Services Remodel - Riverside	987,705	987,705	-	987,705
Food Services Remodel - Moreno Valley	2,654,335	2,649,607	-	2,649,607
Infrastructure Projects - District Wide	484,414	484,414	-	484,414
Hot Water Loop System & Boiler Repl. - Moreno Valley	869,848	869,848	-	869,848
Emergency Phone Project - District Wide	379,717	379,717	-	379,717
Utility Retrofit Project - District Wide	6,181,188	6,181,189	-	6,181,189
Modular Redistribution Norco/MoVal/BC/Riv	8,431,362	8,425,862	-	8,425,862
ECS Building Upgrade Project - Moreno Valley/Norco	389,561	389,561	-	389,561
PBX Building - Riverside	428,119	428,119	-	428,119
PBX / NOC / M & O Facility - Norco	11,775,000	11,314,824	13,836	11,328,660
PBX / NOC / M & O Facility - Moreno Valley	3,524,082	208,465	1,736,438	1,944,903
Life Science / Physical Science Reconstruction - Riverside	152,500	152,500	-	152,500
Center for Student Success - Norco	15,635,918	15,633,873	-	15,633,873
Long Range Master Plan - District Wide	1,439,077	1,439,077	-	1,439,077
Logic Domain - Capital Project Management System	162,375	149,625	12,113	161,738
Aquatics Center - Riverside	11,028,683	10,865,983	-	10,865,983
Soccer Field / Artificial Turf - Norco	3,904,973	3,879,314	-	3,879,314
Learning Gateway Building - Moreno Valley	5,269,307	5,058,973	-	5,058,973
Bradshaw Building Electrical Project - Riverside	366,353	366,353	-	366,353
Quad Basement Remodel Project - Riverside	467,500	352,941	-	352,941
Black Box Theatre Remodel Project - Riverside	10,955	10,955	-	10,955
Technology Building A Remodel Project - Riverside	11,375	11,375	-	11,375
Center for Health, Wellness, and Kinesiology Phase I - Norco	86,500	86,500	-	86,500
Health Science Center - Moreno Valley	164,971	164,971	-	164,971

See independent auditor's report.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
BOND PROJECT SUMMARY
June 30, 2015**

	BUDGET	TOTAL PROJECT COSTS THROUGH June 30, 2014	2015 ACTUAL COSTS	TOTAL PROJECT COSTS THROUGH June 30, 2015
ADA Transition Plan - District Wide	6,360,000	6,020,062	29,941	6,050,003
March Dental Education Center - Moreno Valley	9,914,549	9,878,444	(4,915)	9,873,529
Secondary Effects Project - Norco	16,044,292	15,688,593	339,687	16,028,280
Utility Infrastructure Project - District Wide	7,085,632	5,920,340	311,709	6,232,049
Safety and Site Improvement Project - Norco	967,442	967,442	-	967,442
Safety and Site Improvement Project - Moreno Valley	719,827	719,827	-	719,827
Administrative Move to Humanities Bldg - Moreno Valley	25,990	25,990	-	25,990
Science Laboratories Remodel Project - Moreno Valley	500,000	302,804	-	302,804
Ben Clark Public Safety Training Center - Center Status - Moreno Valley	84,500	53,125	-	53,125
Interim Parking Lease - Riverside	177,023	177,023	-	177,023
Center for Human Performance - Moreno Valley	112,009	112,009	-	112,009
Cosmetology Building - Riverside	142,500	142,500	-	142,500
Alumni Carriage House Restoration Project	150,000	122,270	-	122,270
IT Upgrade (including audit) - District Wide	5,840,000	2,161,091	2,306,996	4,468,087
Culinary Arts / District Office Building - District	32,484,261	6,797,510	11,239,355	18,036,865
Parking Structure Fall Deterrent - Riverside	7,576	7,576	-	7,576
Nursing Portables - Moreno Valley	705,338	705,338	-	705,338
Central Plant Boiler Replacement - Norco	161,848	161,847	-	161,847
DSA Project Closures - District Wide	7,434	7,290	-	7,290
Scheduled Maintenance - New - District Wide	2,860,000	2,196,556	336,350	2,532,906
Electronic Contract Document Storage - District Wide	50,000	-	-	-
2014 - 2015 IPP/FPP District	350,000	-	-	-
Program Contingency	4,439,146	-	-	-
Program Reserve	4,310,463	-	-	-
District Design Standards	355,000	345,031	-	345,031
Library Learning Center - Moreno Valley	127,000	127,000	-	127,000
Student Services Building - Riverside	25,925,000	1,447,559	5,730,607	7,178,166
Lovekin Parking/Tennis Project - Riverside	4,475,000	4,323,829	27,895	4,351,724
Food Services "grab-n'-go" Facility Project - Riverside	1,600,000	82,737	(1,365)	81,372
Master Plan Updates - District Wide	729,800	708,909	3,999	712,908
Swing Space - Market Street Properties	866,500	487,491	120,862	608,353
Groundwater Monitoring Wells - Norco	517,660	149,443	47,107	196,550
Emergency Phone Project - Moreno Valley	450,000	341,582	-	341,582
Self-Generation Incentive Program - Norco	3,110,000	2,525,306	618,534	3,143,840
Physicians Assistant Laboratory Remodel - Moreno Valley	120,000	49,191	-	49,191
Visual & Performing Arts Center - Norco	114,000	114,000	-	114,000
Audio Visual Upgrade and Lighting Project - Moreno Valley	200,000	51,550	78,065	129,615
Mechanical Upgrade Project - Moreno Valley	875,000	660,245	-	660,245
Coil School for the Arts - Riverside	24,280,000	3,636,940	15,109,974	18,746,914
Coil School for the Arts - Parking Structure	1,456,076	-	-	-
Total Capital Outlay	341,387,647	241,008,124	38,602,941	279,611,065
Series A Refunding Escrow	57,686,474	57,686,474	-	57,686,474
COPS Payoffs	11,582,875	11,582,873	-	11,582,873
Costs of issuance	2,839,859	2,839,858	-	2,839,858
Debt service	2,835,612	2,835,612	-	2,835,612
Election costs	98,236	98,236	-	98,236
Total Other Financing Uses	75,043,056	75,043,053	-	75,043,053
TOTALS	\$ 416,430,703	\$ 316,051,177	\$ 38,602,941	\$ 354,654,118

See independent auditor's report.

Agenda Item (IV-D-2)

Meeting	11/3/2015 - Committee
Agenda Item	Committee - Resources (IV-D-2)
Subject	Establishment of Other Post-Employment Benefits (OPEB) Irrevocable Trust – Approval of Agreement with CalPERS, Delegation of Authority to Request Disbursements, and Resolution No. 15-15/16 – Establishment of a New Internal Service Fund
College/District	District
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees: 1) approve the agreement with CalPERS - California Employers' Retiree Benefit Trust to administer the District's Other Post-Employment Benefits irrevocable trust; 2) approve the Delegation of Authority to request disbursements from the irrevocable trust; and 3) approve the resolution to establish a new Internal Service Fund to account for financial activity associated with the District's OPEB Obligation Funding Plan.

Background Narrative:

In April 2015, the Board of Trustees approved the Other Post-Employment Benefits (OPEB) Obligation Funding Plan consisting of the following:

- Establishment of an irrevocable trust to pay current retiree health costs and to accumulate funds for future retiree health costs to offset the OPEB liability;
- Develop a rate to apply to every dollar of payroll, in all Resources that have payroll, to cover the annual current cost ("pay-as-you-go") plus a minimum of \$250,000 annually to begin providing for future retiree health costs, including application of the rate to grant and categorical programs in accordance with OMB Circular A-21 and the State Chancellor's Accounting Advisory – GASB 45 Accounting for Other Post-Employment Benefits;
- Investment earnings over time will contribute to the reduction of the outstanding OPEB liability, so the total amount of funds set-aside by the District and accumulated to pay for future retiree health costs will be limited to a maximum of 50% of the outstanding OPEB liability;
- At least annually, transfer all funds provided by the retiree healthcare rate to the irrevocable trust;
- Pay all retiree healthcare costs out of the irrevocable trust.

In order to implement the approved OPEB Obligation Funding Plan the District must 1) establish an irrevocable trust and, 2) establish a new Internal Service Fund to account for the financial activity of the Plan.

The District requested information from three vendors who offer OPEB irrevocable trust services. CalPERS, Public Agency Retirement Services (PARS), and Keenan & Associates were asked to provide investment performance results, total service costs, total assets under management, for profit or non-profit status, number of agencies under contract, asset allocation strategies, periodic reporting options, local control, trust administration processes, minimum contributions, and agreement termination options.

The information was accumulated and evaluated by District staff and then presented to Chancellor Burke and to the District's bargaining unit Presidents for discussion and consideration. By unanimous consensus, CalPERS – California Employers' Retiree Benefit Trust (CERBT) was selected as the vendor to administer the District's OPEB irrevocable trust.

Attached for the Board of Trustees consideration is the agreement for participation in the CalPERS – CERBT program and a resolution for Delegation of Authority to request disbursements from the irrevocable trust.

Representatives from CalPERS will be in attendance and will present information on the CERBT program.

Historically, the financial activity associated with the District's OPEB has been handled on a "pay-as-you-go" basis through the unrestricted general fund for retiree medical costs.

Approval of the OPEB Obligation Funding Plan necessitates the establishment of a new Internal Service Fund to account for the financial activity of the plan and to comply with Education Code Section 84030 and the California Community Colleges Budget and Accounting manual relative to OPEB financial transactions.

Attached for the Board of Trustees consideration is a resolution authorizing the establishment of a new internal service fund Resource.

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

Attachments:

- [11032015_Agreement with CalPERS CERBT Program](#)
- [11032015_Delegation of Authority Certificate](#)
- [11032015_Resolution for Delegation of Authority](#)
- [11032015_CalPERS-CERBT Presentation](#)

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF
Riverside Community College District**

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) Riverside Community College District
(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 Affiliate Program Services Division
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
 Affiliate Program Services Division
 CERBT (OPEB)
 400 Q Street
 Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Other Post Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB 45 and 57, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB 45 and 57 to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB 43, 45 and 57; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB 45 and 57, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB 45;
 - 2) prepared in accordance with GASB 43, 45, and 57; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at

Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. If an employer elects to contribute then the contribution amount should not be less than \$5000 or the employer's annual required contribution (ARC), whichever amount is lower. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

- (1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.
- (2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

- (1) Employer may receive disbursements not to exceed the annual premium and other costs of post employment healthcare benefits and other post employment benefits as defined in GASB 43.
- (2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.
- (3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.
- (4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.
- (5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.
- (6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

- (1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.
- (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date

preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.
- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such

consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.
 6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to

the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

(5) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(6) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(7) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 17th day of the month of November in the year 2015, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: Virginia Blumenthal

Name of Governing Body: Board of Trustees

Name of Employer: Riverside Community College District

Date: November 17, 2015

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
JOHN SWEDENSKY
AFFILIATE PROGRAM SERVICES DIVISION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS The effective date of this Agreement is: _____
--



DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

RESOLUTION OF THE

Board of Trustees

(GOVERNING BODY)

OF THE

Riverside Community College District

(NAME OF EMPLOYER)

The Board of Trustees delegates to the incumbents
(GOVERNING BODY)

in the positions of Chancellor and
(TITLE)

Vice Chancellor, Business & Financial Services and/or
(TITLE)

Controller authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding
Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title President, Board of Trustees

Witness _____

Date November 17, 2015

RIVERSIDE COMMUNITY COLLEGE DISTRICT

RESOLUTION NO. 15-15/16

Authorization to Establish a New Internal Service Fund

WHEREAS Education Code Section 84030 and the California Community Colleges Budget and Accounting Manual promulgate the fund designated for financial transactions related to Other Post-Employment Benefits (OPEB);

WHEREAS in April 2015 the Board of Trustees of the Riverside Community College District approved the OPEB Obligation Funding Plan;

WHEREAS the OPEB Obligation Funding Plan included the establishment of an irrevocable trust to pay current retiree health benefits and to accumulate funds for future retiree health costs to offset the OPEB liability;

WHEREAS the Board of Trustees of the Riverside Community College District is authorized by Education Code Section 81602 to establish a fund, as designated by the California Community Colleges Budget and Accounting Manual; and

THEREFORE, BE IT RESOLVED that the Board of Trustees hereby authorizes the establishment of a New Internal Service Fund in accordance with Education Code Section 81602.

PASSED AND ADOPTED this 17th day of November, 2015.

Nathan Miller
Secretary, Board of Trustees

California Employers' Retiree Benefit Trust Features and Benefits

John Swedensky

Alisa Perry

CERBT Customer Outreach and Support

Advantages of the CERBT

- CERBT manages investment policy
- Simple, focused administrative procedures and processes
- Financial reporting compliant with governmental accounting standards
- Excellent customer service
- Lowest cost for services

District controls the funding policy

- District decides how much to contribute
 - Contributions are never required
 - District can vary contributions based on budgetary conditions
- District decides on asset allocation strategy
 - District chooses one of three asset allocation strategies
 - District may change asset allocation strategy
- District decides to seek reimbursement
 - District is eligible for reimbursement of annual OPEB expenses

Investment management

- CalPERS Board accepts investment fiduciary responsibility
 - GC 53620-53622
- CalPERS Board determines investment policy, asset classes and asset allocation strategies
- Strategies and investment transactions managed by the same skilled investment professionals that manage the Public Employees Retirement Fund (PERF)

CERBT asset allocation strategies

	Strategy 1	Strategy 2	Strategy 3
Expected Long Term Rate of Return (General Inflation Rate Assumption of 2.75%)	7.28%	6.73%	6.12%
Standard Deviation of Expected Returns	11.74%	9.32%	7.14%

- All CERBT asset allocation strategies share the same public market asset classes
 - Allocation strategies differ only to the extent to which they participate in each of the asset classes

CERBT asset class target allocations

Asset Classification	Investment Management	Strategy 1	Strategy 2	Strategy 3
Global Equity	Passive MSCI All Country World Index	57%	40%	24%
Fixed Income	Active Barclays Capital Long Liability Index	27%	39%	39%
Global Real Estate (REITs)	Passive FTSE EPRA/NAREIT Developed Liquid Index	8%	8%	8%
Treasury Inflation Protected Securities (TIPS)	Passive Barclays Capital Global Real: US TIPS Index	5%	10%	26%
Commodities	Active S&P GSCI Total Return Index	3%	3%	3%

Total service cost

- Total service cost of participation is 10 basis points of assets under management
 - Consists of administrative and investment management expenses borne by CalPERS and paid to State Street Global Advisors
 - CERBT is a self-funded trust
 - Employer account charged daily
 - CERBT does not profit
 - Rate can be changed without prior notice and may be higher or lower in the future

CERBT employers under contract

465 Total

- State of California
- 118 Cities or Towns
- 14 Counties
- **41 Schools**
- 20 Courts
- 271 Special Districts and other Public Agencies
 - (81 Water, 32 Sanitation, 28 Fire, 21 Transportation)

As of October 7, 2015

CERBT Community College Districts

- Barstow Community College District
- Butte-Glenn Community College District
- Foothill-De Anza Community College District
- Glendale Community College District
- Los Angeles Community College District
- Marin Community College District
- Mt. San Jacinto Community College District
- Napa Community College District
- Santa Monica Community College District
- West Valley-Mission Community College District

As of October 7, 2015

Questions? Where to get information?

Name	Title	E-mail	Desk	Mobile
John Swedensky	Assistant Division Chief	John.Swedensky@calpers.ca.gov	(916) 795-0835	(916) 715-7960
Andy Nguyen	Program Manager	Andy.Nguyen@calpers.ca.gov	(916) 795-7702	(916) 524-9095
Matt Goss	Outreach & Support Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 502-3277
Daniel Rodriguez	Administration & Reporting	Daniel.Rodriguez@calpers.ca.gov	(916) 795-9424	N/A
Alisa Perry	Outreach & Support Analyst	Alisa.Perry@calpers.ca.gov	(916) 795-3360	(916) 705-9447

Program e-mail addresses	CERBT Website
CERBT4U@calpers.ca.gov	www.calpers.ca.gov/cerbt
CERBTACCOUNT@calpers.ca.gov	

Agenda Item (IV-D-3)

Meeting	11/3/2015 - Committee
Agenda Item	Committee - Resources (IV-D-3)
Subject	Allocation of \$309,328 for additional small wares and equipment costs (Groups I and II) for the Culinary Arts Academy project.
College/District	Riverside
Funding	Proposition 20 Instructional Supply, State Instructional Equipment, and Culinary Trust Funds
Recommended Action	It is recommended that the Board of Trustees allocate additional funds to the project budget in the amount of \$309,328 for additional small wares and equipment costs (Groups I and II) for the Culinary Arts Academy project.

Background Narrative:

At the June 2012 Board meeting, the project budget for the Culinary Arts Academy/District Office (CAA/DO) was approved by the Board of Trustees. In the original project budget and scope, equipment and other wares were slated to be relocated from the current to the new culinary arts academy facility. It is the desire of the college to advance the new culinary arts academy at the new location with new equipment and wares to match the caliber of the facility.

As such, the college, the culinary art academy faculty and leadership have outlined and listed the needs to open the new facility. In summary, the culinary faculty has identified the need to purchase additional small wares to address moving from one (1) to four (4) kitchens at the new location. In addition, some equipment items that were designated 4 years ago to be transferred will now be purchased as new due to the shortened life cycle of these items and/or new technology upgrades made during this period. The college has requested the Group I kitchen contractor to upgrade ovens and electrical to meet the program requirements and will reimburse Group I with funds below.

Riverside City College will provide funding from three sources. Items considered supplies will be funded with Proposition 20 Instructional Supply dollars; Equipment items will be funded with both State Instructional Equipment and Culinary Trust funds. The budget sources and associated costs for Group I & II are as follows:

\$221,052 12 DJA 1190 0 6010 2075 6481
\$43,276 12 DDB 1190 0 4999 0735 4320
\$45,000 ASRCC Trust ID#710-000-0000-94209-9551
\$309,328

Detailed breakdown of items with associated costs are attached (Exhibit I). This funding and expenses will be allocated to the culinary arts academy portion of the project funding, and expended accordingly.

Prepared By: Wolde-Ab Isaac, President, Riverside
Mazie Brewington, Vice President, Business Services (Riv)
Chris Carlson, Chief of Staff & Facilities Development
Bart Doering, Facilities Development Director

Attachments:

[Breakdown of Small Wares and Equipment Items](#)

Exhibit I

ITEM	SIZE	COUNT	PRICE	TOTAL	from what list
Freezer reach-in		2	-	-	TRANSFER ITEMS
Proofer, Metro:5763511-C539		1	-	-	Ovens and Stoves
Refrigerator reach-in		2	-	-	TRANSFER ITEMS
Round Metal Bowls	1 1/2 qt.	20	1.95	39.00	BAKERY
Ramekins	4 oz	48	2.50	120.00	BAKERY
Bowl	3 qt.	20	3.65	73.00	BAKERY
Bread Baskets		30	4.00	120.00	DINNING-ROOM
Cutting Boards		10	4.00	40.00	Kitchen
Pots De Crème	3.5	48	4.00	192.00	BAKERY
Small Cagamen	2.5 oz	60	4.00	240.00	DINNING-ROOM
Pastry Brushes		12	4.50	54.00	BAKERY
Soufle Ramekins	8 oz	36	4.50	162.00	BAKERY
Bowl	5 qt.	20	4.90	98.00	BAKERY
Bud Vase		30	5.00	150.00	DINNING-ROOM
Stainless steel bowl	1.5	12	5.00	60.00	Kitchen
Storage Lids	2	12	5.00	60.00	Kitchen
Storage Lids	4	12	5.00	60.00	Kitchen
Storage Lids	6	12	5.00	60.00	Kitchen
Storage Lids	8	8	5.00	40.00	Kitchen
Storage Lids	12	8	5.00	40.00	Kitchen
Storage Lids	18	4	5.00	20.00	Kitchen
Storage Lids	22	3	5.00	15.00	Kitchen
Rolling Pin, Wood		6	5.50	33.00	BAKERY
Round Cake Pns	8 in.	12	6.00	72.00	BAKERY
Storage Container	2	12	7.00	84.00	Kitchen
Trash Containers		7	7.00	49.00	Kitchen
Stainless Steel Bowl	3	24	8.00	192.00	Kitchen
Alluminum Sheet Pan	Half	24	8.95	214.80	BAKERY
Covers, Full	Full	12	8.95	107.40	BAKERY
Salt & Pepper Shakers	1 oz	30	9.01	270.30	DINNING-ROOM
Cooling Racks	14x20	12	10.00	120.00	BAKERY
Storage Container	4	12	10.00	120.00	Kitchen
French Dowel Rolling Pin	20 1/2 x 13/4	6	10.50	63.00	BAKERY
Scoops	#40	4	10.50	42.00	BAKERY
Scoops	#30	4	10.50	42.00	BAKERY
Spoons, Perforated Kitchen Size		12	10.79	129.48	Kitchen
Spoons, Solid		20	10.79	215.80	Kitchen
Coffee Pots		12	11.00	132.00	DINNING-ROOM
Water Pitchers	48 oz	10	11.00	110.00	DINNING-ROOM
Scoops	#20	4	11.48	45.92	BAKERY
Cutting Boards		6	11.75	70.50	BAKERY
Alluminum Sheet Pan	Full	24	11.95	286.80	BAKERY
French Whip	10 in	6	11.95	71.70	BAKERY
Stainless Steel Bowl	4	24	12.00	288.00	Kitchen

ITEM	SIZE	COUNT	PRICE	TOTAL	from what list
Stainless Steel Bowl	5	18	12.00	216.00	Kitchen
Storage Container	6	12	12.00	144.00	Kitchen
French Whip	12 in	6	12.50	75.00	BAKERY
Loaf Pan	1/2 lb.	12	12.60	151.20	BAKERY
Cookie Cutters	Sets	4	12.70	50.80	BAKERY
Pastry Brushes	1 ½ in	12	12.99	155.88	Kitchen
Tongs H.D., Kitchen	10 in	12	13.29	159.48	Kitchen
High Temp Spatulas	Large	12	13.85	166.20	BAKERY
Heat Tactical Rubber Spatula		20	14.00	280.00	Kitchen
Stainless Steel Bowl	8	12	14.00	168.00	Kitchen
Sign Holders	4x6	30	15.00	450.00	DINNING-ROOM
Storage Container	8	8	15.00	120.00	Kitchen
Pastry Brushes	2 in	12	15.39	184.68	Kitchen
Thermometer		6	15.40	92.40	BAKERY
H.B Spatula, Holes	12 in	6	16.69	100.14	Kitchen
H.B Spatula, Solid	12 in	6	16.69	100.14	Kitchen
Hotel Pans, 1/6	4 in	40	16.99	679.60	Kitchen
Sauté Pans	6in	8	17.47	139.76	Kitchen
Omelet Pans	6 in	20	18.95	379.00	Kitchen
Hotel Pans, 1/3	2 in	20	18.99	379.80	Kitchen
Comma Extractor	4 oz	2	19.90	39.80	BAKERY
Silk Pads	Full	16	19.95	319.20	BAKERY
Menu Covers		80	20.00	1,600.00	DINNING-ROOM
Sugar Aoldgs		3	20.00	60.00	DINNING-ROOM
Hotel Pans, 1/12	4 in	40	20.49	819.60	Kitchen
Sauté Pans	8 in	20	20.97	419.40	Kitchen
Bain Marie	1qt	20	20.99	419.80	Kitchen
Storage Container	12	8	21.00	168.00	Kitchen
Square Ring Molds	11 in.	5	21.90	109.50	BAKERY
Omelet Pans	8 in	20	22.99	459.80	Kitchen
Hotel Pans, 1/6	6 in	40	23.49	939.60	Kitchen
Hotel Pans, ½	2 in	20	24.49	489.80	Kitchen
Deco Spoon Set		4	24.70	98.80	BAKERY
Bain Marie	2 qt	20	24.89	497.80	Kitchen
Pizza Cutter		3	25.00	75.00	Kitchen
Sauce Pots	2 qt	16	25.89	414.24	Kitchen
Frying Pan Non-Stick	8 in.	4	25.95	103.80	BAKERY
Hotel Pans, 1/3	4 in	20	27.29	545.80	Kitchen
Bain Marie	3 qt	16	28.39	454.24	Kitchen
Sauce Pan	1.2 qt	3	28.95	86.85	BAKERY
Hotel Pans, ½	4 in	20	29.19	583.80	Kitchen
Bain Marie	4 qt	16	29.69	475.04	Kitchen
Pizza Peel		1	30.00	30.00	Kitchen
Storage Container	18	4	31.00	124.00	Kitchen
Hotel Pans, Full	2 in	20	32.69	653.80	Kitchen
Sauce Pot, Heavy Duty	4 qt	12	34.99	419.88	Kitchen
Sauce Pot, Heavy Duty	6 qt	16	35.89	574.24	Kitchen

ITEM	SIZE	COUNT	PRICE	TOTAL	from what list
Revolving Cake Stand		6	37.50	225.00	BAKERY
Storage Container	22	3	39.00	117.00	Kitchen
Tall Cake Ring	8 in.	6	39.90	239.40	BAKERY
Cast Iron Skillet	12 in	6	40.00	240.00	Kitchen
Cutting Boards	15x20	12	40.00	480.00	Kitchen
Sauté Pans	12 in	20	40.59	811.80	Kitchen
Hotel Pans, Full	4 in	20	41.59	831.80	Kitchen
Chinois		4	48.00	192.00	Kitchen
Buche De Noel Molds		4	49.70	198.80	BAKERY
Open Fry Pan	12 in	4	55.95	223.80	BAKERY
Sautoirs	12 in	1	59.49	59.49	Kitchen
Cutting boards	18x24	12	60.00	720.00	Kitchen
Open fry pan	20 in.	4	60.95	243.80	BAKERY
Sauce Pots, Stainless Steel	2qt	6	62.99	377.94	Kitchen
Sautoirs	6 in	1	67.47	67.47	Kitchen
Scales		6	70.25	421.50	BAKERY
Sauce Pots, Stainless Steel	4qt	6	77.49	464.94	Kitchen
Manual Sweeper		1	80.00	80.00	DINNING-ROOM
Comma Molds	4 oz	2	83.50	167.00	BAKERY
Saucer	5 ½ in	5	85.79	428.95	DINNING-ROOM
Sauce Pots, Stainless Steel	6qt	6	90.49	542.94	Kitchen
Java Mug	12oz	16	91.00	1,456.00	DINNING-ROOM
Syrup Dispensers	6 oz	1	91.00	91.00	DINNING-ROOM
Roast Pans Heavy Duty		6	92.49	554.94	Kitchen
Soup Bowl	11.5 oz	16	98.49	1,575.84	DINNING-ROOM
Flexi Pan Hemispheres	3 oz	4	99.70	398.80	BAKERY
Half Cylinder Molds	48 Forms	3	99.70	299.10	BAKERY
Indented Eggs	3.20 oz	3	99.70	299.10	BAKERY
Oblong Cakes W/ Indent	24 Forms	5	99.70	498.50	BAKERY
Triangles	.25 oz	2	99.70	199.40	BAKERY
Water Glasses		8	100.00	800.00	DINNING-ROOM
Lunch Plates	9 in	16	101.00	1,616.00	DINNING-ROOM
Bouillon Cup	7.5 oz	5	114.00	570.00	DINNING-ROOM
China Caps		4	120.00	480.00	Kitchen
Salad Spinner		1	140.00	140.00	Kitchen
Dinner Plates	10 ¼ in	16	144.00	2,304.00	DINNING-ROOM
Ice Tea Glasses		8	161.00	1,288.00	DINNING-ROOM
Pan Racks		4	170.00	680.00	Kitchen
Alluminum Rack	26x20x69	2	179.95	359.90	BAKERY
Double Mesh Strainer		4	180.00	720.00	Kitchen
Juice Press		1	180.00	180.00	Kitchen
Tri Stone		1	180.00	180.00	Kitchen
Bread & Butter Plates	6 ¼ in	5	182.00	910.00	DINNING-ROOM
Mug	8.25 oz	5	193.00	965.00	DINNING-ROOM
Cup & Lid Holder		1	200.00	200.00	DINNING-ROOM
Carbon Steel Skillets		4	250.00	1,000.00	Kitchen

ITEM	SIZE	COUNT	PRICE	TOTAL	from what list
Salad Plates	8 ¼ in	5	259.00	1,295.00	DINNING-ROOM
Ice Tea maker		1	300.00	300.00	DINNING-ROOM
Soup Kettle		1	300.00	300.00	DINNING-ROOM
Dutchess Dough Divider Stand		1	400.00	400.00	TRANSFER ITEMS
Tomato slicer		1	400.00	400.00	Kitchen
4 Qt. mixers		4	410.00	1,640.00	TRANSFER ITEMS
Mixer	4 qt.	4	410.00	1,640.00	BAKERY
Mixer	6 qt.	4	500.00	2,000.00	BAKERY
Vacuum		1	500.00	500.00	DINNING-ROOM
Vitamix		6	500.00	3,000.00	Kitchen
Waffle iron		1	600.00	600.00	Kitchen
6 Qt. mixer		2	650.00	1,300.00	TRANSFER ITEMS
Mixer	8 qt.	3	795.00	2,385.00	BAKERY
Hand Blender		3	799.95	2,399.85	BAKERY
Immersion blender		2	800.00	1,600.00	Kitchen
Coffee Makers		2	1,000.00	2,000.00	DINNING-ROOM
Spoons, Slotted	12 in	12	1,079.00	12,948.00	Kitchen
Cages		4	1,100.00	4,400.00	Kitchen
Panini		1	1,179.00	1,179.00	Kitchen
Sandwich Grill		1	1,179.00	1,179.00	Kitchen
Band Saw		1	1,300.00	1,300.00	Kitchen
Robot coupe R4/ss		4	1,300.00	5,200.00	Kitchen
Toaster		1	1,500.00	1,500.00	Kitchen
Cheese melter		1	2,500.00	2,500.00	TRANSFER ITEMS
Espresso Machine		1	3,000.00	3,000.00	Production Kitchen
Griddle- Vulcan Medium Duty		1	3,675.00	3,675.00	TRANSFER ITEMS
Smoker		1	4,000.00	4,000.00	TRANSFER ITEMS
Grill with Convection Oven	? Size	1	5,000.00	5,000.00	TRANSFER ITEMS
Hot Top Stove with Oven	? Size	1	5,000.00	5,000.00	TRANSFER ITEMS
40 QT. mixer		1	6,000.00	6,000.00	TRANSFER ITEMS
Meat Slicers		2	6,439.00	12,878.00	TRANSFER ITEMS
Charbroiled/ Grill W/ Oven		1	7,000.00	7,000.00	TRANSFER ITEMS
Double Stack Convection Ovens Uu/can		1	7,000.00	7,000.00	TRANSFER ITEMS
Ranges 6 Burner W/ Oven Below		2	7,000.00	14,000.00	TRANSFER ITEMS
Dough Sheeter		1	8,000.00	8,000.00	TRANSFER ITEMS
Buffalo Chopper		1	9,000.00	9,000.00	Kitchen
Double Deep fryer		1	13,333.00	13,333.00	TRANSFER ITEMS
Steamer Double Vulcan Convection 10 pan		1	20,000.00	20,000.00	TRANSFER ITEMS
Mixer	20 qt	2	35,000.00	70,000.00	BAKERY
Blodgett Hydrovection Oven w/ Helix Technology / water filter/ (1) convection oven, gas		3		19,000.00	TRANSFER ITEMS
Additional Electrical Work				6,000.00	

ITEM	SIZE	COUNT	PRICE	TOTAL	from what list
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309,327.63

Budget Lines for purchases

Equipment - 12 DSA 1190 0 1306 3075 6481	266,052.00
Smalls - 12 DSA 1190 0 1306 3735 4320	43,276.00
	<u>309,328.00</u>

Funding Sources:

Instructional Equipment	221,052.00	12 DJA 1190 0 6010 2075 6481
Lottery - set aside for smalls need in set up	43,276.00	DDB 1190 0 4999 0735 43
Culinary Trust Accounts	45,000	ASRCC Trust ID # 710-000-0000-94209-9551
	<u>309,328.00</u>	

Agenda Item (VI-A)

Meeting	11/3/2015 - Committee
Agenda Item	Closed Session (VI-A)
Subject	Conference with Labor Negotiators Pursuant to Government Code Section 54957.6, District Representatives: Bradley Neufeld of Gresham Savage, Employee Organization: California School Employees Association
College/District	District
Funding	n/a
Recommended Action	To be Determined

Background Narrative:

None.

Prepared By: Michael Burke, Ph.D., Chancellor

Attachments: