Financial Statements
June 30, 2024

Riverside Community College District

Schedule of Findings and Questioned Costs

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Riverside Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of Riverside Community College District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and other required supplementary schedules as listed in the table of contents on pages 59 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
November 26, 2024

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Riverside Community College District (the District) as of June 30, 2024. The report consists of three basic financial statements: the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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FINANCIAL HIGHLIGHTS

- The District's primary funding source is apportionment received from the State of California through the Student Centered Funding Formula (SCFF). Apportionment funding through the SCFF is based on 70% for Full-Time Equivalent Students (FTES), 20% for Supplemental metrics, and 10% for Student Success metrics. During the 2023-2024 fiscal year, total reported resident credit and non-credit FTES were 30,464 as compared to 27,375 in the 2022-2023 fiscal year. The District elected to participate in the state Emergency Conditions Allowance (ECA) program to protect a decline in apportionment revenue resulting from the loss of FTES during the COVID-19 Pandemic. The District is able to utilize pre-pandemic FTES from FY 2019-2020 in each of the years comprising the 3-year average calculation of FTES apportionment. The Enrollment decline from FY 2019-2020 through FY 2021-2022 by 6,652 FTES or 21.07%, due to the effects of the COVID-19 Pandemic. The District embarked on a strategic, multi-year effort to recover lost enrollment by increasing outreach efforts, target marketing, enhancing dual enrollment opportunities, increasing pre-pandemic online and hybrid teaching modalities, etc., increasing enrollment by 11.3% over FY 2022-2023 enrollment. For FY 2022-2023, the District reported actual FTES of 27,302 but was funded at 30,558.

- Several scheduled maintenance projects at the District and its three colleges resulted in building and site improvements totaling $5,352,605 in fiscal year 2023-2024. Additionally, the District and its three colleges received $12,722,284 primarily for Riverside City College Life Science/Physical Science and Inland Empire Technical Trade Center.

- The completed facility project, listed below, is primarily funded through the General Fund, Redevelopment, and the District's voters approved General Obligation Bond (Measure C), and one-time budget savings allocations.

- Football Field & Running Track Replacement – Riverside City College

- Employee salaries increased by 16.99% or $33.6 million from the 2022-2023 fiscal year and employee benefits increased by 24.14% or $17.1 million. The increase in salaries is primarily due to a COLA increase of 8.22 percent; contractual rate increase of 1.0 percent; scheduled salary step increases; employee reclassifications. The increase in benefit costs is due to the significant increase in the District's OPEB and pension liabilities. The pension liabilities were measured as of June 30, 2023 and the increase is due to an increase in the PERS pension rates along with changes in the actuarial valuations of the net share of the liability. See Note 8 and 10 for additional information related to the OPEB and pension liabilities.

- During the 2023-2024 fiscal year, the District provided approximately $90.2 million in federal and state financial aid to students, representing an increase of 14.19% over the $79.0 million in fiscal year 2022-2023. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below.

Federal Pell Grant Program (PELL)	$ 55,371,603
Federal Supplement Education Opportunity Grant (FSEOG)	1,282,081
Federal Direct Student Loans (Direct Loans)	2,599,704
Federal Work-Study Program (FWS)	1,180,182
COVID-19 Higher Education Emergency Relief Funds - Student Aid Portion	500
State of California Cal Grants B	8,039,760
California Community College Promise Grant	21,694,307
Total federal and state financial aid provided to students	$ 90,168,137

THE DISTRICT AS A WHOLE

Net Position

	2024	2023	Change
Assets			
Cash and investments	$ 369,632,649	$ 379,459,327	$ (9,826,678)
Receivables, net	45,684,572	62,928,710	(17,244,138)
Other current assets	445,663	187,736	257,927
Capital assets, net	442,943,325	424,548,292	18,395,033
Total assets	858,706,209	867,124,065	(8,417,856)
Deferred Outflows of Resources	139,758,258	135,676,350	4,081,908
Liabilities			
Accounts payable and accrued liabilities	197,967,101	230,587,246	(32,620,145)
Current portion of long-term liabilities	15,302,128	15,145,695	156,433
Noncurrent portion of long-term liabilities	684,031,826	673,238,925	10,792,901
Total liabilities	897,301,055	918,971,866	(21,670,811)
Deferred Inflows of Resources	32,923,551	39,730,787	(6,807,236)
Net Position			
Net investment in capital assets	172,844,721	155,544,660	17,300,061
Restricted	91,208,896	78,026,851	13,182,045
Unrestricted (deficit)	(195,813,756)	(189,473,749)	(6,340,007)
Total net position	$ 68,239,861	$ 44,097,762	$ 24,142,099

The District's components of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are noted on page 12.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 13.

	2024	2023	Change
Operating Revenues			
Tuition and fees, net	$ 19,452,281	$ 15,692,983	$ 3,759,298
Grants and contracts, noncapital	130,505,050	112,547,330	17,957,720
Total operating revenues	149,957,331	128,240,313	21,717,018
Operating Expenses			
Salaries and benefits	319,485,557	268,763,318	50,722,239
Supplies, services, equipment, and maintenance	108,596,884	87,679,383	20,917,501
Student financial aid	87,136,756	84,455,155	2,681,601
Depreciation and amortization	25,919,494	23,640,428	2,279,066
Total operating expenses	541,138,691	464,538,284	76,600,407
Operating loss	(391,181,360)	(336,297,971)	(54,883,389)
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	182,698,065	162,336,949	20,361,116
Property taxes	102,480,870	90,099,212	12,381,658
Student financial aid grants	77,276,751	77,051,760	224,991
State revenues	11,597,237	11,446,518	150,719
Net investment income (expense)	8,179,287	(4,551,581)	12,730,868
Other nonoperating revenues	13,969,914	15,697,299	(1,727,385)
Total nonoperating revenues (expenses)	396,202,124	352,080,157	44,121,967
Other Revenues			
State capital income	19,121,335	27,472,660	(8,351,325)
Change in net position	$ 24,142,099	$ 43,254,846	$ (19,112,747)

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in total for the fiscal year 2023-2024. Property taxes levied and received from property within the District's boundaries increased during the year.

Grant and contract revenues relate primarily to specific Federal and State grants received for programs to serve the students of the District. These grant and program revenues are restricted to allowable expenses related to the programs. Grant and contract revenues relate primarily to student financial aid and to specific Federal and State grants received for programs to serve the students of the District. These grant and program revenues are restricted to allowable expenses related to the programs.

During 2023-2024, the District's net investment income was $17.0 million. Investment income is primarily derived from cash held in the Riverside County Treasury and the recognition of the unrealized fair market value of those funds. Investment income has increased approximately $11.9 million from the 2022-2023 fiscal year primarily due higher interest rates offered by the Riverside County Treasury Investment Pool.

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

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Equipment, Maintenance, and Repairs	Depreciation and Amortization	Total
Instructional activities	$ 140,984,906	$ 6,042,082	$ -	$ 646,937	$ -	$ 147,673,925
Academic support	41,309,266	34,042,036	-	288,795	-	75,640,097
Student services	54,897,521	8,081,348	-	331,597	-	63,310,466
Plant operations and maintenance	13,563,156	8,310,432	-	337,568	-	22,211,156
Institutional support services	52,298,616	33,188,756	-	1,478,287	-	86,965,659
Community services	3,135,579	738,467	-	4,085	-	3,878,131
Ancillary services and auxiliary operations	13,296,513	3,827,483	-	52,531	-	17,176,527
Student aid	-	-	87,136,756	-	-	87,136,756
Physical property and related					-	
acquisitions	-	212,353	-	11,014,127	-	11,226,480
Unallocated depreciation and amortization	-	-	-	-	25,919,494	25,919,494
Total	$ 319,485,557	$ 94,442,957	$ 87,136,756	$ 14,153,927	$ 25,919,494	$ 541,138,691

Changes in Cash Position

	2024	2023	Change
Net Cash Flows from			
Operating activities	$ (367,484,688)	$ (212,786,999)	$ (154,697,689)
Noncapital financing activities	358,655,133	329,779,974	28,875,159
Capital financing activities	(19,871,827)	19,398,631	(39,270,458)
Investing activities	18,874,704	198,351	18,676,353
Net Increase in Cash and Cash Equivalents	(9,826,678)	136,589,957	(146,416,635)
Cash and Cash Equivalents, Beginning of Year	379,459,327	242,869,370	136,589,957
Cash and Cash Equivalents, End of Year	$ 369,632,649	$ 379,459,327	$ (9,826,678)

The Statement of Cash Flows on pages 14 and 15 provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

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

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2024, the District had $748.4 million in a broad range of capital assets. Total capital assets consist of land, buildings, building improvements, construction in progress, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. At June 30, 2024, the District's net capital assets were $442.9 million. Major capital improvement projects are ongoing throughout the District. These projects are primarily funded through Physical Plant and Instructional Support and District General Obligation Bonds. Projects are accounted for within the Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be recorded to the depreciable Buildings and Improvement category.

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

	2024	2023	Net Change
Land and construction in progress	$ 76,209,128	$ 52,352,871	$ 23,856,257
Buildings and improvements	594,534,463	581,038,319	13,496,144
Furniture and equipment	70,894,931	66,269,532	4,625,399
Right-to-use leased assets	486,744	-	486,744
Right-to-use subscription IT assets	6,267,019	9,239,839	(2,972,820)
Subtotal	748,392,285	708,900,561	39,491,724
Accumulated depreciation and amortization	(305,448,960)	(284,352,269)	(21,096,691)
Total capital assets, net	$ 442,943,325	$ 424,548,292	$ 18,395,033

Long-Term Liabilities including OPEB and Pensions

Long-term liabilities consist primarily of general obligation bonds, aggregate net pension liability, and the aggregate net other postemployment benefits (OPEB) liability. At the end of the 2023-2024 fiscal year, the District had $298.1 million in general obligation bonds outstanding, including premium. These bonds are repaid in annual installments, in accordance with the obligation requirements for each debt issuance, by way of property tax assessments on property within the District's boundaries. At June 30, 2024, the District's aggregate net pension liability was $263.1 million and the aggregate net other postemployment benefits (OPEB) liability was $89.2 million.

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

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
General obligation bonds	$ 308,994,344	$ 315,801	$ (11,252,281)	$ 298,057,864
Certificates of participation	25,492,102	-	(36,352)	25,455,750
Aggregate net OPEB liability	88,277,968	966,408	-	89,244,376
Aggregate net pension liability	242,323,346	20,770,755	-	263,094,101
Lease liability	-	486,744	(107,113)	379,631
Subscription-based IT arrangements	3,930,239	604,283	(2,912,520)	1,622,002
Other liabilities	19,366,621	2,113,609	-	21,480,230
Total long-term liabilities	$ 688,384,620	$ 25,257,600	$ (14,308,266)	$ 699,333,954
Amount due within one year				$ 15,302,128

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District's Board of Trustees approves revisions to the adopted budget to provide for unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2023-2024 fiscal year on June 18, 2024.

The District's final revised budget for the unrestricted resource of the General Fund anticipated that expenditures would exceed revenues by $50.1 million. The actual results for the year showed expenditures below revenue by $2.0 million.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT

For Fiscal 2025, the District budgeted FTES target is to achieve the per-pandemic levels at 31,493 FTES. Actual credit FTES declined 21.28% from Fiscal Year 2019-20 through FY 2021-22 as a result of COVID-19 pandemic. By FY 2023-24, the District restored 17.50% or 4,377 FTES since the low of the pandemic in FY 2021-22. The Fall 2024 reached 104% of targeted enrollment. This result aligns with enhanced marketing efforts, outreach initiatives, and the expansion of online and short-term instructional offerings. These strategic responses have positively influenced student demand, contributing to meeting the enrollment targets set for FY 2024-25.

The District has purchase approximately 24 acres of land in Jurupa Valley on October 21, 2024 for $25.3 million for the future home of the Inland Empire Technical Trade Center (IETTC).

In August 2024, the District's Board of Trustees approved placing a local general obligation bond authorization in the amount of $954 million on the November 5, 2024 general election ballot. As of November 11, 2024, the Riverside County Registrar of Voters showed Measure CC passing with 56.93% "yes" votes, surpassing the 55% required threshold for passage.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Assets	
Cash and cash equivalents	$ 27,557,530
Investments	342,075,119
Accounts receivable	41,545,510
Student receivables, net	4,139,062
Prepaid expenses	414,789
Inventories	30,874
Capital assets not depreciated or amortized	76,209,128
Capital assets, net of accumulated depreciation and amortization	366,734,197
Total assets	858,706,209
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	24,234,403
Deferred outflows of resources related to OPEB	23,064,816
Deferred outflows of resources related to pensions	92,459,039
Total deferred outflows of resources	139,758,258
Liabilities	
Accounts payable	51,124,206
Accrued interest payable	3,530,818
Unearned revenue	143,312,077
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	15,302,128
Long-term liabilities other than OPEB and pensions, due in more than one year	331,693,349
Aggregate net other postemployment benefits (OPEB) liability	89,244,376
Aggregate net pension liability	263,094,101
Total liabilities	897,301,055
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	17,218,331
Deferred inflows of resources related to pensions	15,705,220
Total deferred inflows of resources	32,923,551
Net Position	
Net investment in capital assets	172,844,721
Restricted for	
Debt service	38,239,961
Capital projects	21,045,439
Educational programs	15,099,969
Other activities	16,823,527
Unrestricted (deficit)	(195,813,756)
Total net position	$ 68,239,861

Operating Revenues	
Tuition and fees	$ 41,146,588
Less: Scholarship discounts and allowances	(21,694,307)
Net tuition and fees	19,452,281
Grants and contracts, noncapital	
Federal	18,145,130
State	111,239,971
Local	1,119,949
Total grants and contracts, noncapital	130,505,050
Total operating revenues	149,957,331
Operating Expenses	
Salaries	231,595,090
Employee benefits	87,890,467
Supplies, materials, and other operating expenses and services	94,442,957
Student financial aid	87,136,756
Equipment, maintenance, and repairs	14,153,927
Depreciation and amortization	25,919,494
Total operating expenses	541,138,691
Operating Loss	(391,181,360)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	182,698,065
Local property taxes, levied for general purposes	77,862,964
Taxes levied for other specific purposes	24,617,906
Federal and State financial aid grants	77,276,751
State taxes and other revenues	11,597,237
Investment income, net	17,003,630
Interest expense on capital related debt	(10,354,673)
Investment income on capital asset-related debt, net	1,530,330
Other nonoperating revenues	13,969,914
Total nonoperating revenues (expenses)	396,202,124
Income Before Other Revenues	5,020,764
Other Revenues	
State revenues, capital	19,121,335
Change In Net Position	24,142,099
Net Position, Beginning of Year	44,097,762
Net Position, End of Year	$ 68,239,861

Operating Activities	
Tuition and fees	$ 18,244,334
Federal, state, and local grants and contracts, noncapital	112,813,820
Payments to or on behalf of employees	(299,506,631)
Payments to vendors for supplies and services	(111,899,455)
Payments to students for scholarships and grants	(87,136,756)
Net cash flows from operating activities	(367,484,688)
Noncapital Financing Activities	
State apportionments	177,426,682
Federal and state financial aid grants	77,276,751
Property taxes - nondebt related	78,179,838
State taxes and other apportionments	14,340,205
Other nonoperating	11,431,657
Net cash flows from noncapital financing activities	358,655,133
Capital Financing Activities	
Purchase of capital assets	(43,398,501)
State revenue, capital	19,121,335
Property taxes - related to capital debt	24,617,906
Principal paid on capital debt	(12,379,633)
Interest paid on capital debt	(9,122,832)
Interest received on capital asset-related debt	1,289,898
Net cash flows from capital financing activities	(19,871,827)
Investing Activities	
Change in fair value of cash in county treasury	3,698,972
Interest received from investments	15,175,732
Net cash flows from investing activities	18,874,704
Change In Cash and Cash Equivalents	(9,826,678)
Cash and Cash Equivalents, Beginning of Year	379,459,327
Cash and Cash Equivalents, End of Year	$ 369,632,649

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (391,181,360)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	25,919,494
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables, net	5,649,389
Prepaid expenses	(257,928)
Deferred outflows of resources related to OPEB	7,097,387
Deferred outflows of resources related to pensions	(13,899,954)
Accounts payable	6,693,313
Unearned revenue	(24,548,565)
Compensated absences	536,741
Load banking	82,524
Claims liability	1,494,344
Aggregate net OPEB liability	966,408
Aggregate net pension liability	20,770,755
Deferred inflows of resources related to OPEB	(9,939)
Deferred inflows of resources related to pensions	(6,797,297)
Total adjustments	23,696,672
Net cash flows from operating activities	$ (367,484,688)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 4,769,275
Cash with fiscal agent	22,788,255
Cash in county treasury	342,075,119
Total cash and cash equivalents	$ 369,632,649
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 2,720,659
Amortization of debt premiums	$ 1,928,633
Accretion of interest on capital appreciation bonds	$ 315,801
Recognition of lease liabilities arising from obtaining right-to-use leased assets	$ 486,744
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 604,283

	Retiree OPEB Trust
Assets	
Investments	$ 4,772,691
Net Position	
Restricted for postemployment benefits other than pensions	$ 4,772,691

	Retiree OPEB Trust
Additions	
District contributions	$ 2,347,047
Interest and investment income	522,636
Total additions	2,869,683
Deductions	
Benefit payments	1,930,000
Administrative expenses	4,743
Total deductions	1,934,743
Change in Net Position	934,940
Net Position, Beginning of Year	3,837,751
Net Position, End of Year	$ 4,772,691

Note 1 - Organization

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

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

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

- Riverside Community College District Development Corporation

The Riverside Community College District Development Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to provide financing and acquire assets for the District. A majority of the Corporation's Board of Directors either serves by reason of their position in the District or is appointed by the District's Board of Trustees. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. The activity is included as the Riverside Community College District Development Corporation Fund as a Special Revenue Fund of the District. Individually prepared financial statements are not prepared for the Corporation.

Condensed component unit information for the Corporation, the District's blended component unit, for the year ended June 30, 2024, is as follows:

Condensed Statement of Net Position

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

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

Basis of Accounting

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the District, operating revenues consist primarily of student fees and noncapital grants and contracts.

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

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $2,214,995 for the year ended June 30, 2024.

Prepaid Expenses

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

Inventories

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

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, buildings and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed.

The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

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

The District records the value of intangible right-to-use leased assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

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

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

Compensated Absences and Load Banking

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

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

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Leases

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based IT Arrangements

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

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

Noncurrent Liabilities

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The District has related debt outstanding as of June 30, 2024. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $91,208,896 of restricted net position, and the fiduciary fund financial statements report $4,772,691 of restricted net position.

Operating and Nonoperating Revenues and Expenses

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

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

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

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

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

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

State Apportionments

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

Property Taxes

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

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

Scholarship Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Adoption of New Accounting Standard

Implementation of GASB Statement No. 100

As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

Note 3 - Deposits and Investments

Policies and Practices

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

Investment in County Treasury - The District deposits substantially all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2024, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 4,699,275	$ -
Cash in revolving	70,000	-
Cash with fiscal agent	22,788,255	-
Investments	342,075,119	4,772,691
Total deposits and investments	$ 369,632,649	$ 4,772,691

Interest Rate Risk

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

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

Investment Type	Fair Value	Weighted Average Maturity in Days	Credit Rating
Riverside County Treasury Investment Pool	$ 342,075,119	464	AAAf/S1
Mutual Funds	4,772,691	No maturity	Not rated
Total	$ 346,847,810		

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Treasury Investment Pool is rated AAAf/S1 by Fitch Ratings as of June 30, 2024. The District's investments in Mutual funds are not required to be rated, nor have they been rated as of June 30, 2024.

Custodial Credit Risk – Deposits and Investments

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District had bank balances of approximately $28.5 million was exposed to custodial credit risk because it was uninsured, but collateralized at 110% of balance over $250,000 with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2024, the District's investment balance of approximately $4.3 million was exposed to custodial credit risk because it was uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2024:

Investment Type	Fair Value	Fair Value Measuements Using Level 1 Inputs
Mutual funds	$ 4,772,691	$ 4,772,691

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

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2024, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	$ 6,858,451
State Government	
Apportionment	12,272,960
Categorical aid	2,895,282
Lottery	2,121,655
Other state sources	6,607,719
Local Sources	
Interest	3,523,747
Property taxes	1,811,072
Other local sources	5,454,624
Total	$ 41,545,510
Student receivables	$ 6,354,057
Less: allowance for bad debt	(2,214,995)
Student receivables, net	$ 4,139,062

Note 6 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Capital Assets Not Being Depreciated or Amortized				
Land	$ 32,474,238	$ -	$ -	$ 32,474,238
Construction in progress	19,878,633	29,537,521	(5,681,264)	43,734,890
Total capital assets not being depreciated or amortized	52,352,871	29,537,521	(5,681,264)	76,209,128
Capital Assets Being Depreciated and Amortized				
Land improvements	20,539,367	5,681,264	-	26,220,631
Buildings and improvements	560,498,952	7,814,880	-	568,313,832
Furniture and equipment	66,269,532	5,933,451	(1,308,052)	70,894,931
Right-to-use leased equipment	-	486,744	-	486,744
Right-to-use subscription IT assets	9,239,839	604,283	(3,577,103)	6,267,019
Total capital assets being depreciated or amortized	656,547,690	20,520,622	(4,885,155)	672,183,157
Less Accumulated Depreciation and Amortization				
Land improvements	(16,507,150)	(1,224,131)	-	(17,731,281)
Buildings and improvements	(209,539,246)	(16,417,727)	-	(225,956,973)
Furniture and equipment	(53,121,324)	(5,116,762)	1,245,700	(56,992,386)
Right-to-use leased equipment	-	(110,625)	-	(110,625)
Right-to-use subscription IT assets	(5,184,549)	(3,050,249)	3,577,103	(4,657,695)
Total accumulated depreciation and amortization	(284,352,269)	(25,919,494)	4,822,803	(305,448,960)
Total capital assets, net	$ 424,548,292	$ 24,138,649	$ (5,743,616)	$ 442,943,325

The District was the beneficiary of an extensive bequest of Mine Okubo's estate, a Japanese-American artist, inclusive of paintings, works of art, reference materials, photographs, books, writings, letters, and printed material. The District took possession of the materials bequeathed from the estate of Ms. Okubo as of June 30, 2009. The District has included the collection and materials as priceless in the District's capital assets (non-depreciable assets). During the course of the next several years and as the District learns the collection's long-term historical value, the values will be added to the District's capital assets. As of June 30, 2024, the District has not recorded a value for the collection in the financial statements.

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

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2024 consisted of the following:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Due in One Year
General obligation bonds	$ 294,485,310	$ 315,801	$ (9,360,000)	$ 285,441,111	$ 10,130,000
Premium on issuance	14,509,034	-	(1,892,281)	12,616,753	-
Certificates of participation	24,550,000	-	-	24,550,000	720,000
Premium on issuance	942,102	-	(36,352)	905,750	-
Lease liability	-	486,744	(107,113)	379,631	131,333
Subscription-based IT arrangements	3,930,239	604,283	(2,912,520)	1,622,002	1,049,510
Compensated absences	5,827,307	536,741	-	6,364,048	3,271,285
Load banking	1,184,372	82,524	-	1,266,896	-
Claims liability	12,354,942	1,494,344	-	13,849,286	-
Total	$ 357,783,306	$ 3,520,437	$ (14,308,266)	$ 346,995,477	$ 15,302,128

Description of Long-Term Liabilities

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

General Obligation Bonds

2004 General Obligation Bonds Series 2010D

During December 2010, the District issued the 2004 General Obligation Bonds Series 2010D in the amount of $7,699,278. The bonds mature beginning on August 1, 2015 through August 1, 2025, with interest rates ranging from 2.36% to 5.53%. The bonds issued included $7,699,278 of capital appreciation tax-exempt bonds, with the value of the capital appreciation bonds maturing to a principal balance of $15,920,000. At June 30, 2024, the Series 2010D bonds had a principal balance outstanding of $5,086,111.

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

2014 General Obligation Refunding Bonds

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

Series A tax-exempt bonds have a final maturity to occur on August 1, 2027, with interest rates from 2.00% to 5.00%. The net proceeds of $34,006,704 (representing the principal amount of $29,130,000 plus premium on issuance of $4,876,704) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2004A, advance refund a portion of the District's 2005 General Obligation Refunding Bonds, advance refund a portion of the 2004 General Obligation Bonds, Series 2007C, and pay the costs associated with the issuance of the refunding bonds. Series B federally taxable bonds have a final maturity to occur on August 1, 2024, with interest rates from 0.40% to 3.61%. The proceeds of $43,960,000 from issuance were used to advance refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds, and pay the costs associated with the issuance of the federally taxable bonds. At June 30, 2024, the principal balance outstanding was $7,260,000.

2015 General Obligation Refunding Bonds

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

The bonds have a final maturity to occur on August 1, 2032, with interest rates from 2.00% to 5.00%. The net proceeds of $49,654,797 (representing the principal amount of $43,920,000 plus premium on issuance of $5,734,797) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2007C, advance refund the remaining balance of the District's 2005 General Obligation Refunding Bonds and pay the costs associated with the issuance of the refunding bonds. At June 30, 2024, the principal balance outstanding was $785,000.

2004 General Obligation Bonds, Series 2019F

During October 2019, the District issued the 2004 General Obligation Bonds, Series 2019F in the amount of $39,995,000. The bonds mature beginning on August 1, 2020 through August 1, 2039, with interest rates ranging from 3.00% to 4.00%. At June 30, 2024, the principal outstanding was $35,610,000.

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

2019 General Obligation Refunding Bonds

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

The bonds have a final maturity to occur on August 1, 2040, with interest rates from 3.00% to 4.00%. The net proceeds of $108,856,111 (representing the principal amount of $100,295,000 plus premium on issuance of $8,561,111) from the issuance were used to advance refund a portion of the District's outstanding 2004 General Obligation Bonds, Series 2010D-1 and pay the costs associated with the issuance of the refunding bonds. At June 30, 2024, the principal balance outstanding was $97,185,000.

2021 General Obligation Refunding Bonds

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

The bonds have a final maturity to occur on August 1, 2039, with interest rates from 0.14% to 2.70%. The proceeds from the issuance were used to advance refund a portion of the District's outstanding 2014 General Obligation Refunding Bonds, to advance refund a portion of the District's outstanding 2015 General Obligation Refunding Bonds, and to advance refund the remaining outstanding balance of the 2004 General Obligation Bonds, Series 2015E, and pay the costs associated with the issuance of the refunding bonds. At June 30, 2024, the principal balance outstanding was $139,515,000.

Debt Maturity

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2024
2010	2026	2.36%-5.53%	$ 7,699,278	$ 6,745,310	$ -	$ 315,801	$ (1,975,000)	$ 5,086,111
2014	2028	0.40%-5.00%	73,090,000	13,935,000	-	-	(6,675,000)	7,260,000
2015	2033	2.00%-5.00%	43,920,000	885,000	-	-	(100,000)	785,000
2019	2040	3.00%-4.00%	39,995,000	35,910,000	-	-	(300,000)	35,610,000
2019	2041	3.00%-4.00%	100,295,000	97,495,000	-	-	(310,000)	97,185,000
2021	2040	0.14%-2.70%	140,595,000	139,515,000	-	-	-	139,515,000
				$ 294,485,310	$ -	$ 315,801	$ (9,360,000)	$ 285,441,111

The bonds mature through 2041 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2025	$ 10,072,928	$ 57,072	$ 7,511,772	$ 17,641,772
2026	9,898,183	251,817	7,334,078	17,484,078
2027	10,865,000	-	7,210,779	18,075,779
2028	11,615,000	-	7,022,410	18,637,410
2029	12,495,000	-	6,790,820	19,285,820
2030-2034	78,090,000	-	28,757,419	106,847,419
2035-2039	112,595,000	-	14,426,426	127,021,426
2040-2041	39,810,000	-	952,293	40,762,293
Total	$ 285,441,111	$ 308,889	$ 80,005,997	$ 365,755,997

Certificates of Participation (COP)

On January 31, 2023, the District issued certificates of participation in the amount of $24,550,000 with interest rates ranging from 5.00% to 5.25%. Proceeds from the certificated were used to finance the purchase of solar and certain other capital improvements to District sites and facilities. At June 30, 2024, the principal balance outstanding was $24,550,000.

Fiscal Year	Principal	Interests	Total
2025	$ 720,000	$ 1,265,063	$ 1,985,063
2026	335,000	1,229,062	1,564,062
2027	375,000	1,212,312	1,587,312
2028	425,000	1,193,563	1,618,563
2029	475,000	1,172,313	1,647,313
2030-2034	2,830,000	5,479,563	8,309,563
2035-2039	4,365,000	4,635,813	9,000,813
2040-2044	6,535,000	3,310,388	9,845,388
2045-2049	8,490,000	1,403,063	9,893,063
Total	$ 24,550,000	$ 20,901,140	$ 45,451,140

Lease Liability

The District has entered into agreements to lease various equipment. The District's liability on lease agreements is summarized below:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Equipment	$ -	$ 398,617	$ (81,395)	$ 317,222
Defibrillators	-	88,127	(25,718)	62,409
	$ -	$ 486,744	$ (107,113)	$ 379,631

The District has entered into six agreements to lease copiers for periods of five years. Under the terms of the leases, the District makes payments ranging from $2,376 to $52,836 annually, which amounted to total principal and interest costs of $86,677 for the year ended June 30, 2024. At June 30, 2024, the District has recognized right-to-use leased assets, net of accumulated amortization of $314,920 and a lease liability of $317,222 related to these agreements. During the fiscal year, the District recorded $83,697 in amortization expense and $5,282 in interest expense for these copiers. The District used discount rates of 0.76% to 4.36% based on the estimated incremental borrowing rate for financing over a similar time period. The District also pays between $0.003 and $0.03 per each additional copy in excess of the contracted amount, which is not included in the measurement of the lease liability as it is variable in nature. The District paid $30,331 during the year toward those variable costs.

The District has entered into an agreement to lease automatic external defibrillators for a period of three years. Under the terms of the lease, the District makes monthly payments which amounted to total principal and interest costs of $28,776 for the year ending June 30, 2024. At June 30, 2024, the District has recognized right-to-use leased assets, net of accumulated amortization of $61,199 and a lease liability of $62,409 related to this agreement. During the fiscal year, the District recorded $26,928 in amortization expense and $3,058 in interest expense. The District used a discount rate of 4.36% based on the estimated incremental borrowing rate for financing over a similar period.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024, are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 131,333	$ 9,801	$ 141,134
2026	134,759	6,377	141,136
2027	48,411	3,560	51,971
2028	42,368	1,811	44,179
2029	22,760	305	23,065
Total	$ 379,631	$ 21,854	$ 401,485

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into various SBITAs for the software needs of the District. At June 30, 2024, the District has recognized right-to-use subscriptions IT assets of $1,609,324, net of accumulated amortization and SBITA liabilities of $1,622,002 related to these agreements. During the fiscal year, the District recorded $3,050,249 in amortization expense and $56,512 in interest expense. The District is required to make total principal and interest payments of $1,666,828 through 2028-2029 fiscal year. The District used discount rates ranging from 0.22% to 4.64% based on the estimated incremental borrowing rate for financing over a similar period.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024, are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 1,049,510	$ 26,048	$ 1,075,558
2026	383,890	11,864	395,754
2027	117,696	4,818	122,514
2028	54,475	1,790	56,265
2029	16,431	306	16,737
Total	$ 1,622,002	$ 44,826	$ 1,666,828

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

For the fiscal year ended June 30, 2024, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 88,490,196	$ 23,064,816	$ 17,218,331	$ 8,084,527
Medicare Premium Payment (MPP) Program	754,180	-	-	(30,671)
Total	$ 89,244,376	$ 23,064,816	$ 17,218,331	$ 8,053,856

The details of each plan are as follows:

District Plan

Plan Administration

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

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

Plan Membership

At June 30, 2024, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	59
Active employees	1,212
Total	1,271

California Employers' Retiree Benefit Trust (CERBT)

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by agreements with the District, the Faculty Association (CCA/CTA/NEA), the local California School Employees Association (CSEA), and unrepresented groups. The voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amounts to prefund benefits as determined feasible by District management and the District’s Governing Board. For the measurement period of June 30, 2024, the District contributed $2,347,047 to the Plan, of which $1,985,933 was used for current premiums and $361,114 was used to fund the OPEB Trust.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2024:

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

Rate of Return

For the year ended June 30, 2024, the annual money-weighed rate of return on investments, net of investment expense, was 9.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $88,490,196 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2024. The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB liability	$ 93,262,887
Plan fiduciary net position	(4,772,691)
Net OPEB liability	$ 88,490,196
Plan fiduciary net position as a percentage of the total OPEB liability	5.12%

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Discount rate	4.21%
Investment rate of return	6.10%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00% for 2023-2024, trending down to an ultimate rate of 4.04%

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

Mortality rates were based on the 2024 CalSTRS experience study for certificated employees and the 2021 CalPERS experience study for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actual experience study for the period as of June 30, 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global Equity	6.10%
Fixed Income	6.10%
Treasury Inflation-Protected Securities (TIPS)	6.10%
Real Estate Investment Trusts (REITs)	6.10%
Commodities	6.10%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2023	$ 91,330,868	$ 3,837,751	$ 87,493,117
Service cost	4,266,021	-	4,266,021
Interest	3,869,656	-	3,869,656
Difference between expected and actual experience	(3,089,449)	-	(3,089,449)
Contributions - employer	-	2,347,047	(2,347,047)
Net investment income	-	522,636	(522,636)
Changes of assumptions	725,873	-	725,873
Benefit payments	(3,840,082)	(1,930,000)	(1,910,082)
Administrative expense	-	(4,743)	4,743
Net change in total OPEB liability	1,932,019	934,940	997,079
Balance, June 30, 2024	$ 93,262,887	$ 4,772,691	$ 88,490,196

The discount rate was changed from 4.13% to 4.21%, the healthcare trend rate was changed from trending downward to an ultimate rate of 4.14% to trending downward to an ultimate rate of 4.04%, the expected long-term rate of return changed from 5.50% to 6.10%, and the salary increase rate changed from 2.75% to 3.25% since the previous valuatuion. There were no changes in benefit terms since the previous valuation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (3.21%)	$ 95,788,288
Current discount rate (4.21%)	88,490,196
1% increase (5.21%)	81,576,523

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (6.00% trending down to an ultimate rate of 3.04%)	$ 78,344,125
Current healthcare cost trend rate (7.00% trending down to an ultimate rate of 4.04%)	88,490,196
1% increase (8.00% trending down to an ultimate rate of 5.04%)	100,393,576

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 969,747	$ 8,717,693
Changes of assumptions	21,995,560	8,500,638
Net difference between projected and actual earnings on OPEB plan investments	99,509	-
Total	$ 23,064,816	$ 17,218,331

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 8.52 years. The deferred outflows/(inflows) of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 4,477,441
2026	4,599,857
2027	2,989,199
2028	(2,312,564)
2029	(2,454,886)
Thereafter	(1,452,562)
Total	$ 5,846,485

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $754,180 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods ending June 30, 2023 and June 30, 2022, was 0.2485% and 0.2383%, respectively, resulting in a net increase in the proportionate share of 0.0102%.

For the year ended June 30, 2024, the District recognized OPEB expense of $(30,671).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.65%
Medicare Part A Premium Cost Trend Rate	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP 2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer’s 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	$ 819,638
Current discount rate (3.65%)	754,180
1% increase (4.65%)	697,263

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 693,920
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	754,180
1% increase (5.50% Part A and 6.40% Part B)	822,211

Note 9 - Risk Management

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District has coverage up to $55,000,000 for liability and tort risks. This coverage is subject to a $250,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of $600,000,000 (total pool value) with a $75,000 self-insurance retention. A property and equipment audit performed by the Joint Powers Authority is used to identify the aforementioned exposures. However, claims against the property coverage would use current replacement value to respond to a covered event.

Employee Health Benefits

Employee health benefits are covered by the employees enrolling in either one of two health maintenance organizations or in the District's self-insured health plan. The District's self-insured limit for the self-insured plan is $100,000, and it purchases insurance coverage for the excess claims. The District purchases coverage for the dental benefits from a joint powers authority.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2024, the District contracted with the Southern California Schools Risk Management (SCSRM) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2023-2024, the District participated in the California Schools Risk Management Fund Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first $500,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

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

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

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

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	Self - Insurance
Liability Balance, July 1, 2022	$ 10,830,392
Claims and changes in estimates	15,788,457
Claims payments	(14,263,907)
Liability Balance, June 30, 2023	12,354,942
Claims and changes in estimates	16,831,306
Claims payments	(15,336,962)
Liability Balance, June 30, 2024	$ 13,849,286
Assets available to pay claims at June 30, 2024	$ 32,823,353

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

Employee Medical Benefits

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

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

Note 10 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of the aggregate net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 127,977,327	$ 47,048,021	$ 10,433,210	$ 20,605,381
CalPERS	135,116,774	45,411,018	5,272,010	21,005,840
Total	$ 263,094,101	$ 92,459,039	$ 15,705,220	$ 41,611,221

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2024, are summarized as follows:

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the District's total contributions were $22,339,992.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 127,977,327
State's proportionate share of net pension liability associated with the District	61,317,536
Total	$ 189,294,863

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.1680% and 0.1588%, respectively, resulting in a net increase in the proportionate share of 0.0092%.

For the year ended June 30, 2024, the District recognized pension expense of $20,605,381. In addition, the District recognized pension expense and revenue of $8,340,879 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 22,339,992	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	13,362,289	3,585,773
Differences between projected and actual earnings on pension plan investments	547,795	-
Differences between expected and actual experience in the measurement of the total pension liability	10,056,910	6,847,437
Changes of assumptions	741,035	-
Total	$ 47,048,021	$ 10,433,210

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
2025	$ (4,026,265)	
2026	(6,309,864)	
2027	10,369,316	
2028	514,608	
Total	$ 547,795	-

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
2025	$ 4,112,266	
2026	2,926,305	
2027	1,724,510	
2028	873,763	
2029	1,485,711	
Thereafter	2,604,469	
Total	$ 13,727,024	-

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS independent consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 214,671,754
Current discount rate (7.10%)	127,977,327
1% increase (8.10%)	55,967,501

California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, and the Schools Pool Actuarial Valuation. These reports and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.68%	26.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were $19,197,725.

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

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the CalPERS net pension liability totaling $135,116,774. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.3733% and 0.3837%, respectively, resulting in a net decrease in the proportionate share of 0.0104%.

For the year ended June 30, 2024, the District recognized pension expense of $21,005,840. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 19,197,725	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	625,320	3,196,815
Differences between projected and actual earnings on pension plan investments	14,432,404	-
Differences between expected and actual experience in the measurement of the total pension liability	4,930,793	2,075,195
Changes of assumptions	6,224,776	-
Total	$ 45,411,018	$ 5,272,010

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
2025	$ 2,692,206	
2026	1,594,931	
2027	9,696,118	
2028	449,149	
Total	$ 14,432,404	-

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
2025	$ 3,058,882	
2026	2,918,671	
2027	531,326	
Total	$ 6,508,879	-

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 195,343,930
Current discount rate (6.90%)	135,116,774
1% increase (7.90%)	85,340,401

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $9,807,834 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

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

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

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

Public Agency Retirement Services (PARS) - Alternate Retirement System

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

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

The minimum total contribution is 7.5% of employees' salaries, of which the employee contributes the total 7.5%. District employees are covered under PARS Plan #763 as of June 30, 2024. Total contributions to the plan amounted to $778,032.

Note 11 - Participation in Public Entity Risk Pools and Joint Powers Authorities

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

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated. During the year ended June 30, 2024, the District made payments of $123,565, $47,696, $1,575,502, and $2,457,952 to SELF, RCCCSSIPE, REEP, and SCSRM, respectively.

Note 12 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Construction Commitments

As of June 30, 2024, the District had approximately $41.5 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the State Chancellor's Office, as well as private donations and redevelopment funding sources.

Required Supplementary Information
June 30, 2024

Riverside Community College District

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	$ 4,266,021	$ 4,344,808	$ 5,504,586	$ 5,302,858
Interest	3,869,656	3,594,546	2,351,137	2,695,924
Difference between expected and actual experience	(3,089,449)	115,781	(9,193,626)	(129,893)
Changes of assumptions	725,873	1,813,257	(12,862,377)	3,612,704
Benefit payments	(3,840,082)	(4,116,590)	(5,105,272)	(5,254,816)
Net change in total OPEB liability	1,932,019	5,751,802	(19,305,552)	6,226,777
Total OPEB Liability - Beginning	91,330,868	85,579,066	104,884,618	98,657,841
Total OPEB Liability - Ending (a)	$ 93,262,887	$ 91,330,868	$ 85,579,066	$ 104,884,618
Plan Fiduciary Net Position				
Contributions - employer	$ 2,347,047	$ 2,725,558	$ 3,156,425	$ 3,455,849
Expected investment income	522,636	334,917	(732,901)	887,627
Benefit payments	(1,930,000)	(2,330,000)	(2,780,000)	(3,100,644)
Administrative expense	(4,743)	(4,057)	(4,664)	(4,629)
Net change in plan fiduciary net position	934,940	726,418	(361,140)	1,238,203
Plan Fiduciary Net Position - Beginning	3,837,751	3,111,333	3,472,473	2,234,270
Plan Fiduciary Net Position - Ending (b)	$ 4,772,691	$ 3,837,751	$ 3,111,333	$ 3,472,473
Net OPEB Liability - Ending (a) - (b)	$ 88,490,196	$ 87,493,117	$ 82,467,733	$ 101,412,145
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.12%	4.20%	3.64%	3.31%
Covered Payroll	$ 144,748,752	$ 130,339,328	$ 134,621,361	$ 110,528,602
Net OPEB Liability as a Percentage of Covered Payroll	61.13%	67.13%	61.26%	91.75%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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

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

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

	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	9.56%	6.72%	(12.29%)	36.81%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	10.87%	18.03%	4.51%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.2485%	0.2383%	0.2464%	0.2799%
Proportionate share of the net OPEB liability	$ 754,180	$ 784,851	$ 982,884	$ 1,186,062
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

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

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

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

	2024	2023	2022	2021	2020
CalSTRS					
Proportion of the net pension liability	0.1680%	0.1588%	0.1639%	0.1606%	0.1536%
Proportionate share of the net pension liability	$ 127,977,327	$ 110,312,487	$ 74,603,493	$ 155,655,296	$ 138,729,236
State's proportionate share of the net pension liability associated with the District	61,317,536	55,244,062	37,537,584	80,240,323	75,686,060
Total	$ 189,294,863	$ 165,556,549	$ 112,141,077	$ 235,895,619	$ 214,415,296
Covered payroll	$ 98,809,770	$ 98,689,894	$ 94,672,520	$ 91,342,404	$ 88,591,830
Proportionate share of the net pension liability as a percentage of its its covered payroll	129.52%	111.78%	78.80%	170.41%	156.59%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS					
Proportion of the net pension liability	0.3733%	0.3837%	0.3793%	0.3815%	0.3630%
Proportionate share of the net pension liability	$ 135,116,774	$ 132,010,859	$ 77,121,739	$ 117,041,355	$ 105,786,553
Covered payroll	$ 60,079,389	$ 58,754,876	$ 54,408,304	$ 54,715,111	$ 50,257,602
Proportionate share of the net pension liability as a percentage of its covered payroll	224.90%	224.68%	141.75%	213.91%	210.49%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
CalSTRS					
Proportion of the net pension liability	0.1408%	0.1301%	0.1386%	0.1322%	0.1408%
Proportionate share of the net pension liability	$ 129,401,609	$ 120,279,953	$ 112,090,120	$ 89,023,018	$ 82,251,502
State's proportionate share of the net pension liability associated with the District	74,088,473	71,156,604	63,810,906	47,083,363	49,667,008
Total	$ 203,490,082	$ 191,436,557	$ 175,901,026	$ 136,106,381	$ 131,918,510
Covered payroll	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932	$ 62,691,527
Proportionate share of the net pension liability as a percentage of its its covered payroll	159.30%	163.79%	159.10%	140.43%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS					
Proportion of the net pension liability	0.3459%	0.3150%	0.3277%	0.3284%	0.3371%
Proportionate share of the net pension liability	$ 92,235,592	$ 75,188,020	$ 64,730,434	$ 48,412,453	$ 38,273,998
Covered payroll	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160	$ 35,391,662
Proportionate share of the net pension liability as a percentage of its covered payroll	201.92%	187.32%	164.71%	133.64%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

	2024	2023	2022	2021	2020
CalSTRS					
Contractually required contribution	$ 22,339,992	$ 18,872,666	$ 16,698,330	$ 15,289,612	$ 15,619,551
Less contributions in relation to the contractually required contribution	(22,339,992)	(18,872,666)	(16,698,330)	(15,289,612)	(15,619,551)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 116,963,309	$ 98,809,770	$ 98,689,894	$ 94,672,520	$ 91,342,404
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS					
Contractually required contribution	$ 19,197,725	$ 15,242,141	$ 13,460,742	$ 11,262,519	$ 10,790,367
Less contributions in relation to the contractually required contribution	(19,197,725)	(15,242,141)	(13,460,742)	(11,262,519)	(10,790,367)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 71,955,491	$ 60,079,389	$ 58,754,876	$ 54,408,304	$ 54,715,111
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	$ 14,422,750	$ 11,721,821	$ 9,238,158	$ 7,559,706	$ 5,629,470
Less contributions in relation to the contractually required contribution	(14,422,750)	(11,721,821)	(9,238,158)	(7,559,706)	(5,629,470)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS					
Contractually required contribution	$ 9,077,528	$ 7,094,279	$ 5,574,613	$ 4,655,732	$ 4,264,299
Less contributions in relation to the contractually required contribution	(9,077,528)	(7,094,279)	(5,574,613)	(4,655,732)	(4,264,299)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 50,257,602	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%

Note 1 - Purpose of Schedules

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate was changed from 4.13% to 4.21%, the healthcare trend rate was changed from trending downward to an ultimate rate of 4.14% to trending downward to an ultimate rate of 4.04%, the expected long-term rate of return changed from 5.50% to 6.10%, and the salary increase rate changed from 2.75% to 3.25% since the previous valuation.

Schedule of OPEB Investment Returns

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – There were no changes in benefit terms for the CalSTRS or CalPERS plans since the previous valuation.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans since the previous valuation.

Schedule of District Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Supplementary Information
June 30, 2024

Riverside Community College District

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

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

Board of Trustees as of June 30, 2024

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

Administration as of June 30, 2024

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

College Administration as of June 30, 2024

Dr. Claire Oliveros, Ph.D.	President, Riverside City College
Dr. Monica Green, Ed.D.	President, Norco College
Dr. Robin Steinbeck	President, Moreno Valley College

Auxiliary Organizations in Good Standing

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed through to Subrecipients
U.S. Department of Defense				
Procurement Technical Assistance for Business Firms	12.002		$ 476,378	$ -
Passed through California State University - San Bernardino				
Inland Empire Cybersecurity Initiative	12.905	H98230-21-1-0174	217,744	31,881
Total U.S. Department of Defense			694,122	31,881
U.S. Department of Justice				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		4,500	-
Passed through the California Governor's Office of Emergency Services				
Bulletproof Vest Partnership	16.607	VE22 03 1383	1,945	-
Total U.S. Department of Justice			6,445	-
U.S. Department of State				
Passed through World Learning Inc.				
Increase and Diversify Education Abroad for U.S. Students (IDEAS)	19.009	IDEAS21-RCC01	25,916	-
Total U.S. Department of State			25,916	-
U.S. Department of Labor				
H-1B Job Training Grants	17.268		421,431	-
Apprenticeship Building America (ABA)	17.285		739,355	442,738
Total U.S. Department of Labor			1,160,786	442,738
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		55,371,603	-
Federal Pell Grant Program-Administrative Allowance	84.063		75,780	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		1,282,081	-
Federal Supplemental Educational Opportunity Grant Administrative Allowance	84.007		84,874	-
Federal Work-Study Program	84.033		1,180,182	-
Federal Work-Study Program - Administrative Allowance	84.033		72,872	-
Federal Direct Student Loans	84.268		2,599,704	-
Subtotal Student Financial Assistance Cluster			60,667,096	-
TRIO Cluster				
Student Support Services	84.042A		1,613,291	-
Talent Search	84.044A		304,005	-
Upward Bound	84.047A		1,371,811	-
Upward Bound - Math and Science	84.047M		404,768	-
Upward Bound - Veterans	84.047V		106,666	-
Subtotal TRIO Cluster			3,800,541	-

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed through to Subrecipients
Centers of Excellence for Veteran Student Success	84.116G		$ 698,588	$ -
Basic Needs for Postsecondary Students	84.116N		22,680	-
Inland Empire Technical Trade Center	84.116Z		254,184	108,869
Career Project Training	84.116Z		54,572	-
Military Articulation Platform Expansion	84.116Z		773,151	-
Subtotal			1,803,175	108,869
Minority Science and Engineering Improvement Program	84.120A		8,071	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		130,338	-
COVID 19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		500	-
COVID 19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		1,089,191	-
COVID 19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		828,287	-
Subtotal			1,917,978	-
Title III - STEM	84.031C		2,023,156	-
Title V - Pathways to Access, Completion, Equity, and Success (PACES)	84.031S		510,092	-
Title V - STEM - RCC	84.031S		496,021	-
Title V - Engage, Empower, Succeed: Student Pathways Project	84.031S		233,712	-
Passed through University Enterprise Corporation at CSUSB				
Pathways to Success: Creating Opportunities in the Arts & Humanities	84.031S	SA22149	45,319	-
Subtotal			3,308,300	-
Passed through California Department of Education				
Adult Education and Family Literacy	84.002A	14508	79,162	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act, Perkins Title I, Part C	84.048A	[1]	1,383,219	-
Regional Collaboration and Coordination	84.048A	[1]	250,908	-
Subtotal			1,634,127	-
Total U.S. Department of Education			73,348,788	108,869
U.S. Department of Health and Human Services				
GLS Campus Suicide Prevention	93.243		62,445	-
Substance Abuse and Mental Health Services	93.243		19,895	-
Subtotal			82,340	-
Passed through California Community Colleges Chancellor's Office				
Foster & Kinship Care Educational Program	93.658	[1]	29,230	-
Temporary Assistance for Needy Families (TANF)	93.558	[1]	195,089	-
Total U.S. Department of Health and Human Services			306,659	-

[1] Pass-Through Identifying Number not available.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed through to Subrecipients
U.S. Department of the Treasury				
Passed through California Volunteers/Office of Planning and Research				
COVID-19: Coronavirus State And Local Fiscal Recovery Funds	21.027	CCSFRF026	$ 902,456	$ -
Total U.S. Department of the Treasury			902,456	-
U.S. Department of Agriculture				
Passed through Regents of the University of California, Riverside				
Six Legs, Endless Possibilities	10.223	S-001289	39,162	-
Total U.S. Department of Agriculture			39,162	-
National Aeronautics and Space Administration (NASA)				
Passed through Regents of the University of California, San Diego				
Promoting STEM Preparation at California Community Colleges Using Low-Cost Programmable Micro-Computers	43.008	80NSSC20M0099	9,557	-
Total National Aeronautics and Space Administration (NASA)			9,557	-
U.S. Department of the Veterans Affairs				
Veterans Services	64.117		7,789	-
Total U.S. Department of Veterans Affairs			7,789	-
Research and Development Cluster				
National Science Foundation				
Data Science Corps	47.070		81,135	-
Improving Undergraduate STEM Education	47.076		42,859	-
Closing STEM Student Equity Gaps	47.076		405,262	-
S-STEM	47.076		134,235	-
S-STEM Accelerating Chemistry Engagement and Success	47.076		132,918	-
Cyber Security	47.076		19,055	-
STEM En Familia	47.076		3,892	-
Passed through Virginia Polytechnic Institute and State University				
Collaborative Research: S-STEM Organizational Partnerships Research Hub	47.076	480801-19F70	1,881	-
U.S. Department of Health and Human Services				
Passed through Regents of the University of California, Riverside				
Bridges to the Baccalaureate Program	93.859	S-001594	44,424	-
Subtotal Research and Development Cluster			865,661	-
Total Federal Financial Assistance			$ 77,367,341	$ 583,488

[1] Pass-Through Identifying Number not available.

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
AB 86 Adult Education Block Grant	$ 833,868	$ -	$ 113,731	$ 720,137	$ 720,137
Afrcan American Male Education Network Development	88,636	-	29,362	59,274	59,274
Asian American, Native Hawaiian and Pacific Island	280,297	-	245,901	34,396	34,396
Basic Needs Centers	2,354,266	-	1,012,040	1,342,226	1,342,226
CAI - Chabot Las Positas - Robert Half Cybersecurity	10,815	8,550	-	19,365	19,365
CAI - Short Order Cooks Apprenticeship Program	20,194	-	13,953	6,241	6,241
CAI MSJC Launch	-	43,272	-	43,272	43,272
CalFresh Outreach	9,767	-	9,767	-	-
Cal Grants B	8,030,243	9,517	-	8,039,760	8,039,760
California Apprenticeship Initiative	-	672,605	-	672,605	672,605
California College Promise (AB 19)	2,818,215	-	1,106,111	1,712,104	1,712,104
CalWORKs	1,538,525	-	160,710	1,377,815	1,377,815
Campus Safety and Sexual Assault	4,270	-	4,270	-	-
CARE	956,566	-	349,297	607,269	607,269
CCAP STEM Pathways Academy Grant	737,394	-	504,955	232,439	232,439
Center of Excellence	800,000	-	800,000	-	-
Chaffee Grants	948,334	-	-	948,334	928,324
College and Career Access Pathways	84,607	-	52,607	32,000	32,000
College Fellows	39,272	7,847	-	47,119	47,119
COVID-19 Recovery Block Grant	16,579,120	-	5,235,379	11,343,741	11,343,741
Culturally Competent Faculty PD	151,305	-	-	151,305	151,305
Culturally Responsive Pedagogy & Practices	299,930	-	171,447	128,483	128,483
Disabled Student Program & Services - DSPS	4,825,700	-	-	4,825,700	4,825,700
Dreamer Resource Liaison Support	829,051	-	687,211	141,840	141,840
Early Childhood Education Center	4,821,967	-	1,084,938	3,737,029	3,737,029
EEO Best Practices	205,133	-	190,238	14,895	14,895
English Language Learner Healthcare Pathways	737,089	-	144,260	592,829	592,829
Equitable Placement, Support and Completion	1,696,598	-	1,326,240	370,358	370,358

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Extended Opportunity Programs and Services (EOPS)	$ 4,947,107	$ -	$ 1,227,514	$ 3,719,593	$ 3,719,593
Faculty and Staff Diversity	361,176	-	279,437	81,739	81,739
Financial Aid Technology	206,428	-	45,451	160,977	160,977
Foothill - De Anza CCD CVC-OEI	4,941	-	4,941	-	-
Foster Care Education Program	63,033	-	3,300	59,733	59,733
Guided Pathways	1,716,364	-	920,226	796,138	796,138
High Road Training Partnership	125,739	472,453	-	598,192	598,192
Homeless and Housing Insecure Pilot Program	3,141,216	-	2,141,641	999,575	999,575
Hunger Free Campus Support Allocation	5,201	-	5,201	-	-
Innovation in Higher Education	453,087	-	369,578	83,509	83,509
Institutional Effectiveness Partnership - Santa Clarita CCD	1,212	-	1,212	-	-
Instructional Equipment	2,196,170	-	1,409,598	786,572	786,572
Invention and Inclusive Innovation (i3) Initiative	10,563	-	9,885	678	678
K12 PC and K14 TAP Fund Return	401,983	-	258,252	143,731	143,731
K12 PC and K14 Technical Assistance Provider	3,473,120	-	2,256,147	1,216,973	1,216,973
K-12 Strong Workforce Program	50,108,684	-	32,380,744	17,727,940	17,727,940
K14 Pathways Technical Assistance Provider	33,660	-	33,660	-	-
Launch Apprenticeship Innovation Funding Training	344,174	-	21,312	322,862	322,862
Learning Lab	75,000	-	33,183	41,817	41,817
Learning-Aligned Employment Program	8,807,950	-	8,458,424	349,526	349,526
LGBTQ+	481,555	-	381,496	100,059	100,059
Library Services Platform	5,122	-	887	4,235	4,235
Local & Systemwide Technology & Data Security	393,000	-	277,134	115,866	115,866
Mental Health Support	1,267,977	-	163,349	1,104,628	1,104,628
MESA - Mathematics, Engineering, & Science Achievement	1,730,588	84,000	1,229,733	584,855	584,855
Middle College High School - Norco	93,677	-	-	93,677	93,677
Military Articulation Platform Summit and Funding (MAPS)	1,623,716	-	192,569	1,431,147	1,431,147
Nextup (CAFYES)	1,772,811	-	148,376	1,624,435	1,624,435
Nursing Assistant Training Program	500,000	-	304,310	195,690	195,690
Nursing Education Program Support	377,452	-	133,949	243,503	243,503
Pathways to Cyber Success	158,698	-	130,548	28,150	28,150
Pathway to Law School Initiative	80,000	-	39,952	40,048	40,048
Pipe-Line (Programs for Institutional Pathway Engagement-STEM Area)	-	26,320	-	26,320	26,320
Promoting Achievable College Transitions	-	141,013	141,013	-	-

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Regional Collaboration and Coordination	$ 1,939,011	$ -	$ 1,220,337	$ 718,674	$ 718,674
Regional Equity and Recovery Partnership	71,633	5,969	75,002	2,600	2,600
Retention & Enrollment Outreach	4,436,365	-	1,774,046	2,662,319	2,662,319
Rising Scholars Network	740,481	-	584,102	156,379	156,379
Rising Scholars Network - Juvenile Justice Impacted Students	-	1,215,908	1,194,972	20,936	20,936
Seamless Transfer of Ethnic Studies	146,085	-	66,911	79,174	79,174
SFAA - Base	388,154	-	3,600	384,554	384,554
SFAA - Capacity	1,538,948	-	18,241	1,520,707	1,520,707
Song Brown Capitation	269,869	175,000	-	444,869	444,869
Staff Development - Classified	119,725	-	119,725	-	-
Staff Development - Academic	153	-	153	-	-
Strong Workforce Program - Local	9,167,933	-	4,352,340	4,815,593	4,815,593
Strong Workforce Program - Regional	29,018,241	-	19,402,804	9,615,437	9,615,437
Student Equity and Achievement	15,963,474	-	2,092,555	13,870,919	13,870,919
Student Food & Housing Support (Basic Needs)	1,762,816	-	1,050,990	711,826	711,826
Student Success Completion Grants	8,728,494	-	-	8,728,494	8,728,494
Student Transfer Achievement Reform Act	1,695,651	-	1,652,651	43,000	43,000
Systemwide Technology and Data Security	550,000	-	50,000	500,000	500,000
The Puente Project - Regents UC	-	23,303	-	23,303	23,303
UMOJA Campus Programs	528,902	-	310,159	218,743	218,743
UMOJA Community Education Foundation	268,261	-	224,423	43,838	43,838
Veteran Resource Center - Ongoing	660,885	-	229,660	431,225	431,225
Veterans Program	37,668	-	5,841	31,827	31,827
Whale Tail	3,443	9,525	-	12,968	12,968
Zero Textbook Cost Program	957,996	-	837,323	120,673	120,673
Total state programs	$ 213,656,754	$ 2,895,282	$ 101,511,274	$ 115,040,762	$ 115,020,752

CATEGORIES	Reported Data**	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 Only)			
1. Noncredit*	27.47	-	27.47
2. Credit	2,612.17	-	2,612.17
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	9,239.46	-	9,239.46
(b) Daily Census Contact Hours	1,579.85	-	1,579.85
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	156.07	-	156.07
(b) Credit	2,013.36	-	2,013.36
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	9,516.20	-	9,516.20
(b) Daily Census Procedure Courses	5,250.70	-	5,250.70
(c) Noncredit Independent Study/Distance Education Courses	68.90	-	68.90
D. Total FTES	30,464.18	-	30,464.18
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	334.94	-	334.94
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	36.23	-	36.23
2. Credit	54.06	-	54.06
CCFS-320 Addendum			
CDCP Noncredit FTES	96.82	-	96.82
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	1,331.55	-	1,331.55

*Including Career Development and College Preparation (CDCP) FTES.
**Annual report revised as of October 21, 2024.

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 52,036,945	$ -	$ 52,036,945	$ 52,036,945	$ -	$ 52,036,945
Other	1300	48,693,571	-	48,693,571	48,693,571	-	48,693,571
Total Instructional Salaries		100,730,516	-	100,730,516	100,730,516	-	100,730,516
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	21,891,442	-	21,891,442
Other	1400	-	-	-	2,548,643	-	2,548,643
Total Noninstructional Salaries		-	-	-	24,440,085	-	24,440,085
Total Academic Salaries		100,730,516	-	100,730,516	125,170,601	-	125,170,601
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	51,713,595	-	51,713,595
Other	2300	-	-	-	2,420,961	-	2,420,961
Total Noninstructional Salaries		-	-	-	54,134,556	-	54,134,556
Instructional Aides							
Regular Status	2200	3,866,215	-	3,866,215	3,866,215	-	3,866,215
Other	2400	386,542	-	386,542	386,543	-	386,543
Total Instructional Aides		4,252,757	-	4,252,757	4,252,758	-	4,252,758
Total Classified Salaries		4,252,757	-	4,252,757	58,387,314	-	58,387,314
Employee Benefits	3000	39,124,558	-	39,124,558	83,397,048	-	83,397,048
Supplies and Material	4000	-	-	-	1,846,555	-	1,846,555
Other Operating Expenses	5000	-	-	-	23,840,382	-	23,840,382
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		144,107,831	-	144,107,831	292,641,900	-	292,641,900

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ 2,154,878	$ -	$ 2,154,878
Student Health Services Above Amount Collected	6441	-	-	-	202,368	-	202,368
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	2,818,942	-	2,818,942
Objects to Exclude							
Rents and Leases	5060	-	-	-	986,381	-	986,381
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	4,085,449	-	4,085,449
Employee Benefits	3000	-	-	-	2,706,208	-	2,706,208
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	12,954,226	-	12,954,226
Total for ECS 84362, 50% Law		$ 144,107,831	$ -	$ 144,107,831	$ 279,687,674	$ -	$ 279,687,674
% of CEE (Instructional Salary Cost/Total CEE)		51.52%		51.52%	100.00%		100.00%
50% of Current Expense of Education					$ 139,843,837		$ 139,843,837

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 26,544,943
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 26,149,617	$ 395,326	$ -	$ 26,544,943
Total Expenditures for EPA		$ 26,149,617	$ 395,326	$ -	$ 26,544,943
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 91,175,152	
Special Revenue Funds	8,873,821	
Capital Project Funds	49,638,024	
Debt Service Funds	41,770,779	
Internal Service Funds	12,748,254	
Total fund balance and retained earnings - all District funds		$ 204,206,030
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	748,392,285	
Accumulated depreciation and amortization is	(305,448,960)	
Total capital assets, net		442,943,325
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	24,234,403	
Deferred outflows of resources related to OPEB	23,064,816	
Deferred outflows of resources related to pensions	92,459,039	
Total deferred outflows of resources		139,758,258
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(3,530,818)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	(295,468,209)	
Certificates of participation	(25,455,750)	
Lease liability	(379,631)	
Subscription-based IT arrangements	(1,622,002)	
Compensated absences	(6,364,048)	
Less compensated absences already recorded in District funds	3,271,285	
Load banking	(1,266,896)	
Aggregate net other postemployment benefits (OPEB) liability	(89,244,376)	
Aggregate net pension liability	(263,094,101)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(2,589,655)	
Total long-term liabilities		(682,213,383)

Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to:		
Deferred inflows of resources related to OPEB	$ (17,218,331)	
Deferred inflows of resources related to pensions	(15,705,220)	
Total deferred inflows of resources		$ (32,923,551)
Total net position		$ 68,239,861

Note 1 - Purpose of Schedules

District Organization

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2024.

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards (*Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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

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

Schedule of Expenditures of State Awards

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

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2024

Riverside Community College District

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of Riverside Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 26, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
November 26, 2024

CPAs & BUSINESS ADVISORS

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Riverside Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questions costs as items 2024-001 and 2024-002. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Eide Bailly LLP

Rancho Cucamonga, California
November 26, 2024

Independent Auditor's Report on State Compliance

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

Report on State Compliance

Opinion on State Compliance

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements described in the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations identified below for the year ended June 30, 2024.

In our opinion, Riverside Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

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

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

Other Matters

The results of our auditing procedure disclosed an instance of noncompliance, which is described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Compliance Requirements Tested

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

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

The final expenditure report for the COVID-19 Response Block Grant was submitted in the prior fiscal year; therefore, the compliance requirements within this section were not performed.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2023-2024 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
November 26, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

Riverside Community College District

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268

Dollar threshold used to distinguish between type A and type B programs:	$2,321,020
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

None reported.

The following findings represent significant deficiencies in internal control over compliance and instances of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

2024-001 Eligibility

Program Name: Student Financial Assistance Cluster
Federal Financial Assistance Listing Number: 84.007, 84.033, 84.063, and 84.268
Federal Agency: U.S. Department of Education (ED)
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)

Criteria or Specific Requirements

OMB Compliance Supplement, 34 CFR section 690.67: An institution awards additional Federal Pell Grant funds up to one-half of a scheduled award to a student in an award year if the student is enrolled in an eligible program and is enrolled at least as a half-time student in the payment period.

Condition

Significant Deficiency in Internal Control over Compliance – For one of the twenty-six students tested at Norco College, the College inaccurately calculated and disbursed the student's Pell Grant disbursement due to a manual error noted in the student's eligibility records which did not allow payment up to one-half of the student's scheduled award.

Questioned Costs

There are no questioned costs associated with this finding.

Context

There were 2,108 students who received Federal Pell Grants at Norco College during the year ended June 30, 2024.

Effect

Without proper review of student's eligibility records, the College is at risk of noncompliance with the above referenced criteria.

Cause

The College's review processes were not adequately designed to identify instances of noncompliance over student eligibility and the calculation of student disbursements.

Repeat Finding (Yes or No)

No.

Recommendation

The College should strengthen internal controls over the review of student's eligibility records, along with calculated disbursements amounts to ensure accuracy.

Views of Responsible Officials and Corrective Action Plan

The College, with support from the District, will implement an annual review of compliance requirements and training for all staff associated with eligibility requirements for calculated disbursements amounts to ensure accuracy.

Norco College Student Financial Services reviewed the workflow and processing procedures of flagging student files in a timely manner for those that qualify for the additional Pell indicator. The intention of these efforts is to meet regulatory compliance requirements as they are related to student Pell eligibility when awarding and packaging students for additional Pell. There was staff turnover during the 2023-24 award year resulting in procedures misunderstood and not followed consistently which caused the student to not be flagged at the appropriate time in the awarding and disbursement process. An Assistant Director position was approved and filled as of May 2024. The Assistant Director is responsible for Pell grant payment oversight during the authorization and approval of the institution's monthly disbursement process to ensure federal guidelines are adhered to. The Assistant Director has completed thorough training regarding the disbursement process and Pell eligibility. Additionally, training is conducted on a regular basis to review student Pell disbursement eligibility for accuracy.

2024-002 Special Tests and Provisions – Return to Title IV

Program Name: Student Financial Assistance Cluster
Federal Financial Assistance Listing Number: 84.007, 84.033, 84.063, and 84.268
Federal Agency: U.S. Department of Education (ED)
Pass-Through Entity: Direct Funded by the U.S. Department of Education (ED)

Criteria or Specific Requirements

OMB Compliance Supplement, 34 CFR section 668.22(e)(f): The amount of Title IV assistance earned by the student is calculated by dividing the number of days completed by the student within the period of enrollment by the total number of days in the enrollment period. The enrollment period includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in the period of enrollment and the number of calendar days completed in that period.

OMB Compliance Supplement, 34 CFR section 668.22(a)(6)(ii)(B)(1): The institution must disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The institution must make the disbursement as soon as possible, but no later than 45 days after the date of the institution's determination that the student withdrew.

Condition

Significant Deficiency in Internal Control over Compliance – We noted the following instances of noncompliance for Norco College:

1. Two of the twenty-three Return to Title IV calculations tested were not calculated accurately. The College utilized the incorrect figures for the calculation.
2. One of the twenty-three students tested for Return to Title IV were eligible for a post-withdrawal disbursement; however the College did not provide the student with notification of their eligible disbursement, nor did they disburse the funds to the student.

Questioned Costs

There are no questioned costs associated with this finding.

Context

There were 115 Return to Title IV calculations completed for Norco College during the year ended June 30, 2024.

Effect

Without proper review of Return to Title IV calculations, the College is at risk of noncompliance with the above referenced criteria.

Cause

The College's policies and procedures were not properly adhered to.

Repeat Finding (Yes or No)

No.

Recommendation

The College should strengthen internal controls over the review of the Return to Title IV calculations to ensure that the data utilized in preparing the calculation is accurate and that the College's procedures are in line with compliance requirements of the program.

Views of Responsible Officials and Corrective Action Plan

The College, with support from the District, will implement an annual review of compliance requirements and training for all staff associated with Return to Title IV calculation requirements to ensure that the data utilized in preparing the calculation is accurate and that the College's procedures are in line with compliance requirements of the program.

Norco College Student Financial Services reviewed the workflow of Return to Title IV to enhance implementational procedures and regulatory compliance of this process. This will ensure that student withdrawal calculations are performed accurately and occur in a timely manner based on the District's schedule of specific dates for each term of when calculations are completed. The purpose of these efforts is to meet compliance requirements as they are related to Return to Title IV. There was also staff turnover during the 2023-24 award year resulting in inconsistent procedures causing the two incorrect calculations and the lack of notification to the student of their eligible post withdrawal disbursement. An Assistant Director position was approved and filled as of May 2024. The Assistant Director takes an active role to ensure federal guidelines are adhered to, completes thorough training on a regular basis, and all calculations are reviewed for accuracy.

The following finding represents an instance of noncompliance including questioned costs that is required to be reported by the 2023-2024 California Community Colleges Chancelor's Office *Contracted District Audit Manual*.

2024-003 Student Centered Funding Formula Base Allocation FTES

Criteria or Specific Requirements

California *Code of Regulations*, Title 5, Section 58003.1, and the Student Attendance Accounting Manual provide guidelines on how courses offered by community colleges should be classified as well as how the contact hours and FTES should be calculated based on the course type and the course schedule for apportionment purposes.

Condition

We observed the following exceptions:
- Two of the thirty-four courses selected were misclassified as daily courses and should have been classified as alternative daily courses. This resulted in the District underclaiming 1.14 FTES for Riverside City College.
- Twenty-five of the thirty-four courses selected were miscalculated due to scheduling errors, data entry errors, or including holidays as attendance days which resulted in the District underclaiming 0.39 FTES for Moreno Valley College, underclaiming 0.13 FTES for Norco College, and overclaiming 1.77 FTES for Riverside City College.
- One of the thirty-four courses selected was not scheduled in 5-minute increments which was due to a data entry error within the attendance system.

Questioned Costs

The auditor extrapolated the error rate from our sample to the population of daily census FTES claimed on the District's CCFS-320 P-2 Apportionment Attendance Report, which resulted in the District overclaiming FTES by 2.60 FTES.

Context

During 2023-2024, Moreno Valley College offered 149 daily attendance courses, Norco College offered 94 daily attendance courses and Riverside City College offered 369 daily attendance courses. The District claimed a total of 1,855.26 FTES on the CCFS-320 P-2 Apportionment Attendance Report for daily attendance courses.

Effect

The District has over-reported FTES on the CCFS-320 P-2 Apportionment Attendance Report for daily attendance courses.

Cause

The District's existing control procedures over reviewing the classification of courses and the accuracy of FTES calculations were not sufficiently designed to prevent misclassifications or erroneous calculations.

Repeat Finding (Yes or No)

No.

Recommendation

The District should implement more comprehensive system controls, along with review processes, to ensure accurate reporting of the calculation of contact hours and the reporting of FTES.

Views of Responsible Officials and Corrective Action Plan

The District will implement annual training and refresher training for all responsible in course creation in accordance with the current version of the Student Attendance Accounting Manual. The Dean of Educational Services shall be responsible for randomly testing and verifying course scheduling accuracy prior to student enrollment to ensure accurate reporting of the calculation of contact hours and the reporting of FTES.

Financial Statement Findings

2023-001 Financial Reporting and Closing Process

Criteria or Specific Requirements

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

Condition

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

Questioned Costs

There are no questioned costs associated with this finding.

Context

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

Effect

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

Cause

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

Repeat Finding (Yes or No)

No.

Recommendation

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

Current Status

Implemented.

Federal Awards Findings

None reported.

State Compliance Findings

None reported.