Financial Statements
June 30, 2025

Riverside Community College District

Eide Bailly

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 2 and Note 13 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 60 through 67 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 February 6, 2026 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

Ontario, California
February 6, 2026

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, 2025. 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 year that ended on June 30, 2025. 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.

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 2024-2025 fiscal year, total reported resident credit and non-credit FTES were 32,175 as compared to 30,464 in the 2023-2024 fiscal year.

- Several scheduled maintenance projects at the District and its three colleges resulted in building and site improvements totaling $1,828,726 in fiscal year 2024-2025. Additionally, the District and its three colleges received $26,593,987 primarily for Inland Empire Technical Trade Center land purchase which was received November 2022 and listed as deferred revenue prior to the purchase.

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

- Life Science / Physical Science Reconstruction Project – Riverside City College

- Stokoe ECEC Moderation – Norco College

- 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. The Riverside County Registrar of Voters passed Measure CC with 58.10% “yes” votes, surpassing the 55% required threshold for passage. The Board of Trustees issued $205 million of bonds on February 20, 2025. The Board has allocated the authorized amount of $954 million to selected projects, see the schedule of bond project summary in the Measure CC audit report for details.

- Employee salaries increased by 3.00% or $7.0 million from the 2023-2024 fiscal year and employee benefits increased by 122.41% or $107.6 million. The increase in salaries is primarily due to a COLA increase of 1.07 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, 2024 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 2024-2025 fiscal year, the District provided approximately $91.6 million in federal and state financial aid to students, representing an increase of 1.55% over the $90.2 million in fiscal year 2023-2024. 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)	$ 73,382,339
Federal Supplement Education Opportunity Grant (FSEOG)	1,614,803
Federal Direct Student Loans (Direct Loans)	3,030,383
Federal Work-Study Program (FWS)	1,501,182
State of California Cal Grants	10,110,846
California Community College Promise Grant	1,927,671
Total federal and state financial aid provided to students	$ 91,567,224

THE DISTRICT AS A WHOLE

Net Position

	2025	2024*	Change
Assets			
Cash and investments	$ 492,094,678	$ 369,632,649	$ 122,462,029
Receivables, net	33,275,826	45,684,572	(12,408,746)
Other current assets	339,517	445,663	(106,146)
Capital assets, net	503,055,423	442,943,325	60,112,098
Total assets	1,028,765,444	858,706,209	170,059,235
Deferred Outflows of Resources	136,303,831	139,758,258	(3,454,427)
Liabilities			
Accounts payable and accrued liabilities	132,321,810	197,967,101	(65,645,291)
Current portion of long-term liabilities	19,107,535	15,302,128	3,805,407
Noncurrent portion of long-term liabilities	1,006,597,661	684,031,826	322,565,835
Total liabilities	1,158,027,006	897,301,055	260,725,951
Deferred Inflows of Resources	52,475,610	32,923,551	19,552,059
Net Position (Deficit)			
Net investment in capital assets	193,671,687	172,844,721	20,826,966
Restricted	101,573,189	91,208,896	10,364,293
Unrestricted deficit	(340,678,217)	(195,813,756)	(144,864,461)
Total net position (deficit)	$ (45,433,341)	$ 68,239,861	$ (113,673,202)

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.

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.

	2025	2024*	Change
Operating Revenues			
Tuition and fees, net	$ 21,356,266	$ 19,452,281	$ 1,903,985
Grants and contracts, noncapital	130,171,143	130,505,050	(333,907)
Total operating revenues	151,527,409	149,957,331	1,570,078
Operating Expenses			
Salaries and benefits	434,033,176	319,485,557	114,547,619
Supplies, services, equipment, and maintenance	125,327,817	108,596,884	16,730,933
Student financial aid	111,019,728	87,136,756	23,882,972
Depreciation and amortization	26,804,488	25,919,494	884,994
Total operating expenses	697,185,209	541,138,691	156,046,518
Operating loss	(545,657,800)	(391,181,360)	(154,476,440)
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	191,198,722	182,698,065	8,500,657
Property taxes	102,463,373	102,480,870	(17,497)
Student financial aid grants	101,542,587	77,276,751	24,265,836
State revenues	12,833,864	11,597,237	1,236,627
Net investment income	7,493,996	8,179,287	(685,291)
Other nonoperating revenues	15,655,270	13,969,914	1,685,356
Total nonoperating revenues (expenses)	431,187,812	396,202,124	34,985,688
Other Revenues			
State capital income	29,688,082	19,121,335	10,566,747
Change in net position (deficit)	$ (84,781,906)	$ 24,142,099	$ (108,924,005)

* Expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.

The District's primary revenue sources are local property taxes, student enrollment fees, and State apportionment, which increased in total during 2024-2025. 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 2024-2025, the District's net investment income was $17.9 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 $900 thousand from the prior 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	$ 198,305,211	$ 8,847,579	$ -	$ 329,893	$ -	$ 207,482,683
Academic support	56,965,166	41,675,572	-	205,585	-	98,846,323
Student services	76,551,285	8,867,944	-	110,895	-	85,530,124
Plant operations and maintenance	18,224,813	8,334,708	-	27,687	-	26,587,208
Institutional support services	61,399,945	36,861,540	-	851,245	-	99,112,730
Community services	4,453,002	628,536	-	429	-	5,081,967
Ancillary services and auxiliary operations	18,133,754	7,984,870	-	101,269	-	26,219,893
Student aid	-	-	111,019,728	-	-	111,019,728
Physical property and related acquisitions	-	1,977,864	-	8,522,201	- -	10,500,065
Unallocated depreciation and amortization	-	-	-	-	26,804,488	26,804,488
Total	$ 434,033,176	$ 115,178,613	$ 111,019,728	$ 10,149,204	$ 26,804,488	$ 697,185,209

Changes in Cash Position

	2025	2024*	Change
Net Cash Flows from			
Operating activities	$ (441,247,638)	$ (367,484,688)	$ (73,762,950)
Noncapital financing activities	387,740,986	358,655,133	29,085,853
Capital financing activities	158,094,982	(19,871,827)	177,966,809
Investing activities	17,873,699	18,874,704	(1,001,005)
Change in Cash and Cash Equivalents	122,462,029	(9,826,678)	132,288,707
Cash and Cash Equivalents, Beginning of Year	369,632,649	379,459,327	(9,826,678)
Cash and Cash Equivalents, End of Year	$ 492,094,678	$ 369,632,649	$ 122,462,029

* Cash flows from operating activities for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.

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, 2025, the District had approximately $830.3 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, 2025, the District's net capital assets were approximately $503.1 million. Major capital improvement projects are ongoing throughout the District. These projects are primarily funded through Physical Plant and Instructional Support, State Construction Funding, 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:

	2025	2024	Net Change
Land and construction in progress	$ 112,769,743	$ 76,209,128	$ 36,560,615
Buildings and improvements	634,151,533	594,534,463	39,617,070
Furniture and equipment	79,778,715	70,894,931	8,883,784
Right-to-use leased assets	1,062,527	486,744	575,783
Right-to-use subscription IT assets	2,489,659	6,267,019	(3,777,360)
Subtotal	830,252,177	748,392,285	81,859,892
Accumulated depreciation and amortization	(327,196,754)	(305,448,960)	(21,747,794)
Total capital assets, net	$ 503,055,423	$ 442,943,325	$ 60,112,098

Long-Term Liabilities

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 2024-2025 year, the District had approximately $497.7 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, 2025, the District's aggregate net pension liability was approximately $249.1 million and the aggregate net other postemployment benefits (OPEB) liability was approximately $196.1 million.

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

	2025	2024*
General obligation bonds	$ 497,726,161	$ 298,057,864
Certificates of participation	24,699,399	25,455,750
Aggregate net OPEB liability	196,115,151	89,244,376
Aggregate net pension liability	249,080,942	263,094,101
Leases	718,285	379,631
Subscription-based IT arrangements	1,050,561	1,622,002
Compensated absences	41,280,620	7,630,944
Claims liability	15,034,077	13,849,286
Total long-term liabilities	$ 1,025,705,196	$ 699,333,954

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 13 for further information.

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 2024-2025 fiscal year on June 17, 2025.

The District's final revised budget for the unrestricted resource of the General Fund anticipated that expenditures would exceed revenues by $43.7 million. The actual results for the year showed expenditures below revenue by $1.9 million.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT

For Fiscal 2026, the District's budgeted FTES target is 33,664 FTES, reflecting full restoration of COVID-19 pandemic-related enrollment losses and continued execution of focused strategies of enhanced marketing efforts, community outreach initiatives, and expansion of dual enrollment, online and short-term instructional offerings. These strategic responses have positively influenced student demand, contributing to meeting the enrollment targets for FY 2024-25 and will continue to be employed for Fiscal 2026.

Looking ahead, the state fiscal environment will remain a key driver of community college resources. The Governor's January proposal projects a modest $2.9 billion deficit yet maintains $23 billion in reserves while acknowledging multi-year operating gaps beginning in 2027–28. Revenue increases are tied to AI-driven capital gains that the administration cautions may not persist at current levels. The Proposition 98 minimum guarantee is projected at a record $125.5 billion in 2026–27, with community colleges benefiting from stable apportionments and targeted growth funding, which is important for RCCD's enrollment plans and instructional mix. Federal policy changes increase state costs by roughly $1.4 billion and are not fully backfilled in the January plan, presenting downstream affordability and student-support risks that the District will continue to monitor and attempt to mitigate through institutional aid, basic-needs partnerships, and scheduling flexibility.

The Inland Empire labor market remains mixed with late 2025 unemployment ranging from 5.4%–6.1%, with year-over-year job gains concentrated in private education and health services and local government, while construction and manufacturing industries retracted, creating conditions that typically increase demand for reskilling and short-cycle credentials but can also strain student finances. Regional analyses anticipate limited economic growth in 2026 as tariffs, immigration constraints, and sectoral shifts temper hiring, even as logistics normalizes and healthcare remains a relative bright spot; these dynamics affirm RCCD's focus on workforce-aligned programs, dual enrollment pipelines, and online/short-term formats to meet evolving student and employer needs.

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	$ 10,668,334
Investments	481,426,344
Accounts receivable	28,336,628
Student receivables, net	4,939,198
Prepaid expenses	308,644
Inventories	30,873
Capital assets not depreciated or amortized	112,769,743
Capital assets, net of accumulated depreciation and amortization	390,285,680
Total assets	1,028,765,444
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	22,436,581
Deferred outflows of resources related to OPEB	21,907,726
Deferred outflows of resources related to pensions	91,959,524
Total deferred outflows of resources	136,303,831
Liabilities	
Accounts payable	23,172,110
Accrued interest payable	6,568,030
Unearned revenue	102,581,670
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	19,107,535
Long-term liabilities other than OPEB and pensions, due in more than one year	561,401,568
Aggregate net other postemployment benefits (OPEB) liability	196,115,151
Aggregate net pension liability	249,080,942
Total liabilities	1,158,027,006
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	31,251,457
Deferred inflows of resources related to pensions	21,224,153
Total deferred inflows of resources	52,475,610
Net Position (Deficit)	
Net investment in capital assets	193,671,687
Restricted for	
Debt service	47,446,769
Capital projects	20,595,189
Educational programs	14,143,272
Other activities	19,387,959
Unrestricted deficit	(340,678,217)
Total net position (deficit)	$ (45,433,341)

Operating Revenues	
Tuition and fees	$ 45,354,223
Less: Scholarship discounts and allowances	(23,997,957)
Net tuition and fees	21,356,266
Grants and contracts, noncapital	
Federal	22,621,961
State	106,850,071
Local	699,111
Total grants and contracts, noncapital	130,171,143
Total operating revenues	151,527,409
Operating Expenses	
Salaries	238,553,312
Employee benefits	195,479,864
Supplies, materials, and other operating expenses and services	115,178,613
Student financial aid	111,019,728
Equipment, maintenance, and repairs	10,149,204
Depreciation and amortization	26,804,488
Total operating expenses	697,185,209
Operating Loss	(545,657,800)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	191,198,722
Local property taxes, levied for general purposes	80,685,090
Taxes levied for other specific purposes	21,778,283
Federal and State financial aid grants	101,542,587
State taxes and other revenues	12,833,864
Investment income, net	17,918,873
Interest expense on capital related debt	(12,586,875)
Investment income on capital asset-related debt, net	2,161,998
Other nonoperating revenues	15,655,270
Total nonoperating revenues (expenses)	431,187,812
Loss Before Other Revenues	(114,469,988)
Other Revenues	
State revenues, capital	29,688,082
Change In Net Position (Deficit)	(84,781,906)
Net Position, Beginning of Year, as previously reported	68,239,861
Adjustment (Note 13)	(28,891,296)
Net Position, Beginning of Year, as restated	39,348,565
Net Position (Deficit), End of Year	$ (45,433,341)

Operating Activities	
Tuition and fees	$ 20,874,018
Federal, state, and local grants and contracts, noncapital	103,517,044
Payments to or on behalf of employees	(322,403,928)
Payments to vendors for supplies and services	(132,215,044)
Payments to students for scholarships and grants	(111,019,728)
Net cash flows from operating activities	(441,247,638)
Noncapital Financing Activities	
State apportionments	188,207,694
Federal and state financial aid grants	86,660,991
Property taxes - nondebt related	80,532,184
State taxes and other apportionments	18,539,056
Other nonoperating	13,801,061
Net cash flows from noncapital financing activities	387,740,986
Capital Financing Activities	
Purchase of capital assets	(84,674,974)
Proceeds from capital debt	210,769,219
State revenue, capital	29,688,082
Property taxes - related to capital debt	21,778,283
Principal paid on capital debt	(12,266,660)
Interest paid on capital debt	(8,759,114)
Interest received on capital asset-related debt	1,560,146
Net cash flows from capital financing activities	158,094,982
Investing Activities	
Change in fair value of cash in county treasury	5,026,227
Interest received from investments	12,847,472
Net cash flows from investing activities	17,873,699
Change In Cash and Cash Equivalents	122,462,029
Cash and Cash Equivalents, Beginning of Year	369,632,649
Cash and Cash Equivalents, End of Year	$ 492,094,678

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (545,657,800)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	26,804,488
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Receivables, net	(1,287,535)
Prepaid expenses	106,145
Deferred outflows of resources related to OPEB	1,157,090
Deferred outflows of resources related to pensions	499,515
Accounts payable	(15,373,576)
Unearned revenue	(25,848,811)
Compensated absences	4,758,380
Claims liability	1,184,791
Aggregate net OPEB liability	106,870,775
Aggregate net pension liability	(14,013,159)
Deferred inflows of resources related to OPEB	14,033,126
Deferred inflows of resources related to pensions	5,518,933
Total adjustments	104,410,162
Net cash flows from operating activities	$ (441,247,638)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 4,872,312
Cash with fiscal agent	5,796,022
Cash in county treasury	481,426,344
Total cash and cash equivalents	$ 492,094,678
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 1,797,822
Amortization of debt premiums	$ 1,323,074
Accretion of interest on capital appreciation bonds	$ 222,642
Recognition of lease liabilities arising from obtaining right-to-use leased assets	$ 575,783
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	$ 608,090

	Retiree OPEB Trust
Assets	
Investments	$ 5,921,270
Net Position	
Restricted for postemployment benefits other than pensions	$ 5,921,270

	Retiree OPEB Trust
Additions	
District contributions	$ 2,483,420
Interest and investment income	670,339
Total additions	3,153,759
Deductions	
Benefit payments	2,000,000
Administrative expenses	5,180
Total deductions	2,005,180
Change in Net Position	1,148,579
Net Position, Beginning of Year	4,772,691
Net Position, End of Year	$ 5,921,270

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, as defined by accounting principles generally accepted in the United States of America and established by GASB. The District identified that Riverside Community College District Foundation (the Foundation) does not meet the criteria as a component unit under GASB Statement No. 14, 39, and 61; therefore, the Foundations' assets, liabilities, and disbursements are not included in the District's financial statements.

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, 2025, 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

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 California 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 $8,661,296 for the year ended June 30, 2025.

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 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.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 6 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 6 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

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 for 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.

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 expenses. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and the revenue is recognized. Unearned revenues is primarily composed (1) amounts received for tuition and fees prior to the end of the year that are related to the subsequent 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), leases, SBITA liabilities, compensated absences, claims liability, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

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.

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription-based Information Technology (SBITA) Liabilities

SBITA liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the Statement of Net Position. Compensated absences include vacation leave, load banking leave, compensatory time, and sick leave. The District offers load banking leave to eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are not paid for any sick leave balance at termination of employment or at any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the aggregate 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.

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.

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, 2025. 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 financial statements report $101,573,189 of restricted net position, and the fiduciary fund financial statements report $5,921,270 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. 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 received.

The voters of the District passed a General Obligation Bond in 2004 and 2024 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. 101

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 13.

Implementation of GASB Statement No. 102

As of June 30, 2025, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was not a significant effect on the District's financial statements as a result of the implementation of this 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 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, 2025, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	$ 4,802,312	$ -
Cash in revolving	70,000	-
Cash with fiscal agent	5,796,022	-
Investments	481,426,344	5,921,270
Total deposits and investments	$ 492,094,678	$ 5,921,270

Interest Rate Risk

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	$ 481,426,344	467	AAAf/S1
Mutual Funds	5,921,270	No maturity	Not rated
Total	$ 487,347,614		

Credit Risk

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, 2025. The District's investments in Mutual funds are not required to be rated, nor have they been rated as of June 30, 2025.

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, 2025, the District had bank balances of approximately $11.9 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, 2025, the District's investment balance of approximately $5.4 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, 2025:

		Fair Value Measuements Using
Investment Type	Fair Value	Level 1 Inputs
Mutual funds	$ 5,921,270	$ 5,921,270

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, 2025, consisted of the following:

		Primary Government
Federal Government		
Categorical aid	$	6,584,483
State Government		
Apportionment		1,627,729
Categorical aid		3,748,548
Lottery		2,932,284
Local Sources		
Interest		4,170,773
Property taxes		1,963,978
Other local sources		7,308,833
Total	$	28,336,628
Student receivables	$	13,600,494
Less: allowance for bad debt		(8,661,296)
Student receivables, net	$	4,939,198

Note 6 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Capital Assets Not Being Depreciated or Amortized				
Land	$ 32,474,238	$ 45,969,459	$ -	$ 78,443,697
Construction in progress	43,734,890	25,203,954	(34,612,798)	34,326,046
Total capital assets not being depreciated or amortized	76,209,128	71,173,413	(34,612,798)	112,769,743
Capital Assets Being Depreciated or Amortized				
Land improvements	26,220,631	266,940	-	26,487,571
Buildings and improvements	568,313,832	39,350,130	-	607,663,962
Furniture and equipment	70,894,931	9,559,377	(675,593)	79,778,715
Right-to-use leased equipment	486,744	-	-	486,744
Right-to-use leased vehicles	-	575,783	-	575,783
Right-to-use subscription IT assets	6,267,019	608,090	(4,385,450)	2,489,659
Total capital assets being depreciated or amortized	672,183,157	50,360,320	(5,061,043)	717,482,434
Less Accumulated Depreciation and Amortization				
Land improvements	(17,731,281)	(1,471,291)	-	(19,202,572)
Buildings and improvements	(225,956,973)	(17,608,813)	-	(243,565,786)
Furniture and equipment	(56,992,386)	(6,289,727)	671,244	(62,610,869)
Right-to-use leased equipment	(110,625)	(133,940)	-	(244,565)
Right-to-use leased vehicles	-	(115,157)	-	(115,157)
Right-to-use subscription IT assets	(4,657,695)	(1,185,560)	4,385,450	(1,457,805)
Total accumulated depreciation and amortization	(305,448,960)	(26,804,488)	5,056,694	(327,196,754)
Total capital assets, net	$ 442,943,325	$ 94,729,245	$ (34,617,147)	$ 503,055,423

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, 2025, 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, 2025 consisted of the following:

	Balance, July 1, 2024 as Restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	$ 285,441,111	$ 205,222,642	$ (10,130,000)	$ 480,533,753	$ 10,150,000
Premium on issuance	12,616,753	5,862,378	(1,286,723)	17,192,408	-
Certificates of participation	24,550,000	-	(720,000)	23,830,000	335,000
Premium on issuance	905,750	-	(36,351)	869,399	-
Leases	379,631	575,783	(237,129)	718,285	245,041
Subscription-based IT arrangements	1,622,002	608,090	(1,179,531)	1,050,561	669,753
Compensated absences	36,522,240	4,758,380		41,280,620	7,707,741
Claims liability	13,849,286	1,184,791	-	15,034,077	-
Total	$ 375,886,773	$ 218,212,064	$ (13,589,734)	$ 580,509,103	$ 19,107,535

The change in compensated absences is presented as a net change.

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 General Fund. Payments for the lease and subscription-based IT arrangements liabilities will be made by the fund for which the equipment, vehicles and software were intended. 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, 2025, the Series 2010D bonds had a principal balance outstanding of $3,118,753.

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, 2024, 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. The principal balance as of June 30, 2025 was paid in full.

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, 2025, the principal balance outstanding was $685,000.

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, 2025, the principal outstanding was $35,355,000.

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, 2025, the principal balance outstanding was $96,860,000.

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, 2025, the principal balance outstanding was $139,515,000.

2024 General Obligation Bonds, Series 2025A

During February 2025, the District issued the 2024 General Obligation Bonds, Series 2025A in the amount of $205,000,000. The bonds mature beginning on August 1, 2026 through August 1, 2054, with interest rates ranging from 4.00% to 5.00%. At June 30, 2025, the principal outstanding was $205,000,000.

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, 2025.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2024	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2025
2010	2026	2.36%-5.53%	$ 7,699,278	$ 5,086,111	$ -	$ 222,642	$ (2,190,000)	$ 3,118,753
2014	2025	0.40%-5.00%	73,090,000	7,260,000	-	-	(7,260,000)	-
2015	2033	2.00%-5.00%	43,920,000	785,000	-	-	(100,000)	685,000
2019	2040	3.00%-4.00%	39,995,000	35,610,000	-	-	(255,000)	35,355,000
2019	2041	3.00%-4.00%	100,295,000	97,185,000	-	-	(325,000)	96,860,000
2021	2040	0.14%-2.70%	140,595,000	139,515,000	-	-	-	139,515,000
2025	2055	4.00%-5.00%	205,000,000	-	205,000,000	-	-	205,000,000
				$ 285,441,111	$ 205,000,000	$ 222,642	$ (10,130,000)	$ 480,533,753

Debt Service Requirement to Maturity

The bonds mature through 2055 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2026	$ 10,063,753	$ 86,247	$ 15,959,625	$ 26,109,625
2027	32,555,000	-	15,774,679	48,329,679
2028	35,360,000	-	14,450,435	49,810,435
2029	38,990,000	-	12,962,845	51,952,845
2030	13,430,000	-	12,024,891	25,454,891
2031-2035	86,685,000	-	53,873,879	140,558,879
2036-2040	132,945,000	-	36,524,992	169,469,992
2041-2045	35,850,000	-	21,678,500	57,528,500
2046-2050	37,770,000	-	15,417,600	53,187,600
2051-2055	56,885,000	-	6,039,500	62,924,500
Total	$ 480,533,753	$ 86,247	$ 204,706,946	$ 685,326,946

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, 2025, the principal balance outstanding was $23,830,000.

Fiscal Year	Principal	Interest	Total
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	525,000	1,148,563	1,673,563
2031-2035	3,035,000	5,338,062	8,373,062
2036-2040	4,745,000	4,417,563	9,162,563
2041-2045	6,880,000	2,967,299	9,847,299
2046-2049	7,035,000	957,338	7,992,338
Total	$ 23,830,000	$ 19,636,075	$ 43,466,075

Leases

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

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Equipment	$ 317,222	$ -	$ (102,082)	$ 215,140
Vehicles	-	575,783	(105,796)	469,987
Defibrillators	62,409	-	(29,251)	33,158
	$ 379,631	$ 575,783	$ (237,129)	$ 718,285

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 $109,742 for the year ended June 30, 2025. At June 30, 2025, the District has recognized right-to-use leased assets, net of accumulated amortization of $210,356 and a lease liability of $215,140 related to these agreements. During the year, the District recorded $104,564 in amortization expense and $7,660 in interest expense for these copiers. The District used discount rates of 0.76% to 4.27% 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 $43,547 during the year toward those variable costs.

The District has entered into an agreement to lease vehicles for a period of five years. Under the terms of the lease, the District makes monthly payments which amounted to total principal and interest costs of $127,747 for the year ending June 30, 2025. At June 30, 2025, the District has recognized right-to-use leased assets, net of accumulated amortization of $460,626 and a lease liability of $469,987 related to this agreement. During the year, the District recorded $115,157 in amortization expense and $21,951 in interest expense. The District used a discount rate of 4.16% based on the estimated incremental borrowing rate for financing over a similar period.

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 $31,392 for the year ending June 30, 2025. At June 30, 2025, the District has recognized right-to-use leased assets, net of accumulated amortization of $31,823 and a lease liability of $33,158 related to this agreement. During the year, the District recorded $29,376 in amortization expense and $2,141 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, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 245,041	$ 23,841	$ 268,882
2027	163,370	16,348	179,718
2028	162,201	9,725	171,926
2029	147,673	3,137	150,810
Total	$ 718,285	$ 53,051	$ 771,336

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into various SBITAs for the software needs of the District. At June 30, 2025, the District has recognized right-to-use subscriptions IT assets of $1,031,854, net of accumulated amortization and SBITA liabilities of $1,050,561 related to these agreements. During the year, the District recorded $1,185,560 in amortization expense and $37,694 in interest expense. The District is required to make total principal and interest payments of $1,090,944 through the year ended June 30, 2030. 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, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 669,753	$ 23,293	$ 693,046
2027	207,586	9,576	217,162
2028	90,415	5,026	95,441
2029	53,806	2,107	55,913
2030	29,001	381	29,382
Total	$ 1,050,561	$ 40,383	$ 1,090,944

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

For the year ended June 30, 2025, 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	$ 195,429,750	$ 21,907,726	$ 31,251,457	$ 122,129,770
Medicare Premium Payment (MPP) Program	685,401	-	-	(68,779)
Total	$ 196,115,151	$ 21,907,726	$ 31,251,457	$ 122,060,991

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, 2025, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	172
Active employees	1,190
Total	1,362

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, 2025, the District contributed $2,483,420 to the Plan, of which $2,000,000 was used for current premiums, and $483,420 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, 2025:

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, 2025, the annual money-weighed rate of return on investments, net of investment expense, was 13.30%. 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 $195,429,750 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2025. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	$ 201,351,020
Plan fiduciary net position	(5,921,270)
Net OPEB liability	$ 195,429,750
Plan fiduciary net position as a percentage of the total OPEB liability	2.94%

Actuarial Assumptions

The total OPEB liability in the July 1, 2025 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	4.81%
Investment rate of return	6.10%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00% for 2024-2025, 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, 2025 valuation were based on the results of an actual experience study for the period as of June 30, 2025.

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, 2025, (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 4.81%. 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, 2024	$ 93,262,887	$ 4,772,691	$ 88,490,196
Service cost	4,922,633	-	4,922,633
Interest	4,059,779	-	4,059,779
Changes of benefit terms	114,510,969	-	114,510,969
Difference between expected and actual experience	7,340,385	-	7,340,385
Contributions - employer	-	2,483,420	(2,483,420)
Net investment income	-	670,339	(670,339)
Changes of assumptions	(19,201,663)	-	(19,201,663)
Benefit payments	(3,543,970)	(2,000,000)	(1,543,970)
Administrative expense	-	(5,180)	5,180
Net change in total OPEB liability	108,088,133	1,148,579	106,939,554
Balance, June 30, 2025	$ 201,351,020	$ 5,921,270	$ 195,429,750

Changes of economic assumptions reflect a change in the discount rate from 4.21% to 4.81% since the previous valuation. Changes in benefit terms reflect the valuation was updated to include benefits offered to retirees aged 65 or older with 10 or more years of service who met the eligibility criteria established by the District 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 (3.81%)	$ 229,699,428
Current discount rate (4.81%)	195,429,750
1% increase (5.81%)	167,797,375

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%)	$ 159,277,490
Current healthcare cost trend rate (7.00% trending down to an ultimate rate of 4.04%)	195,429,750
1% increase (8.00% trending down to an ultimate rate of 5.04%)	242,540,471

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2025, 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	$ 7,096,458	$ 7,249,269
Changes of assumptions	14,811,268	23,817,619
Net difference between projected and actual earnings on OPEB plan investments	-	184,569
Total	$ 21,907,726	$ 31,251,457

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
2026	$ 3,146,773
2027	1,536,115
2028	(3,765,648)
2029	(3,907,972)
2030	(2,572,130)
Thereafter	(3,780,869)
Total	$ (9,343,731)

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, 2023 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/forms-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, 2025, the District reported a liability of $685,401 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability 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 June 30, 2023. 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, 2024 and June 30, 2023, was 0.2571% and 0.2485%, respectively, resulting in a net increase in the proportionate share of 0.0086%.

For the year ended June 30, 2025, the District recognized OPEB expense of $(68,779).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.93%
Medicare Part A Premium Cost Trend Rate	5.00%
Medicare Part B Premium Cost Trend Rate	6.50%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

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 154 or an average of 0.12% of the potentially eligible population (132,333).

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, 2024, 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, 2024, 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, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

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 (2.93%)	$ 739,530
Current discount rate (3.93%)	685,401
1% increase (4.93%)	637,803

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 (4.00% Part A and 5.50% Part B)	$ 634,951
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	685,401
1% increase (6.00% Part A and 7.50% Part B)	741,727

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 an insurance carrier. The District has coverage up to $55,000,000 for commercial general liability. This coverage is subject to a $250,000 self-insured retention. The District carries replacement coverage on its buildings contents with limits of $700,000,000 (total pool value) with a $75,000 self-insurance retention.

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 the year ended June 30, 2025, 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

The District is self-insured for the first $500,000 of each workers' compensation claim and purchase excess workers’ compensation coverage to statutory limit of $1,000,000 per claim from an insurance carrier.

Insurance Program / JPA Name	Type of Coverage	Limits
Riverside Community College District	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	$ 5,000,000
Schools Excess Liability Fund (SELF)	Excess Liability	$ 55,000,000
Public Risk Innovation, Solution, & Management (PRISM)	Property	$ 700,000,000

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, 2023 to June 30, 2025:

	Self - Insurance
Liability Balance, July 1, 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
Claims and changes in estimates	19,987,793
Claims payments	(18,803,002)
Liability Balance, June 30, 2025	$ 15,034,077
Assets available to pay claims at June 30, 2025	$ 35,195,162

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 medical plans 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 year ended June 30, 2025, 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	$ 118,386,513	$ 51,218,179	$ 16,608,665	$ 15,800,329
CalPERS	130,694,429	40,741,345	4,615,488	21,128,561
Total	$ 249,080,942	$ 91,959,524	$ 21,224,153	$ 36,928,890

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, 2023, 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/forms-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, 2025, 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 19.10% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were $23,385,846.

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

At June 30, 2025, 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	$ 118,386,513
State's proportionate share of net pension liability associated with the District	54,316,139
Total	$ 172,702,652

The net pension liability was measured as of June 30, 2024. 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 member districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.1763% and 0.1680%, respectively, resulting in a net increase in the proportionate share of 0.0083%.

For the year ended June 30, 2025, the District recognized pension expense of $15,800,329. In addition, the District recognized pension expense and revenue of $4,944,849 for support provided by the State. At June 30, 2025, 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	$ 23,385,846	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	13,923,068	2,868,618
Differences between projected and actual earnings on pension plan investments	-	477,684
Differences between expected and actual experience in the measurement of the total pension liability	13,391,039	5,176,975
Changes of assumptions	518,226	8,085,388
Total	$ 51,218,179	$ 16,608,665

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 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
2026	$ (7,936,295)
2027	9,558,249
2028	(779,837)
2029	(1,319,801)
Total	$ (477,684)

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
2026	$ 3,244,995
2027	2,064,016
2028	1,211,561
2029	1,863,441
2030	3,001,874
Thereafter	315,465
Total	$ 11,701,352

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, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
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 is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

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 2024 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. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, 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 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%)	$ 210,570,868
Current discount rate (7.10%)	118,386,513
1% increase (8.10%)	41,408,751

California Public Employees' Retirement System (CalPERS) - SEP

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, 2023, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS SEP provisions and benefits in effect at June 30, 2025, 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	27.05%	27.05%

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, 2025, are presented above and the total District contributions were $21,537,755.

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

As of June 30, 2025, the District reported a liability for its proportionate share of the CalPERS net pension liability totaling $130,694,429. The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, was 0.3657% and 0.3733%, respectively, resulting in a net decrease in the proportionate share of 0.0076%.

For the year ended June 30, 2025, the District recognized pension expense of $21,128,561. At June 30, 2025, 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	$ 21,537,755	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	281,261	3,680,112
Differences between projected and actual earnings on pension plan investments	5,076,724	-
Differences between expected and actual experience in the measurement of the total pension liability	10,956,817	935,376
Changes of assumptions	2,888,788	-
Total	$ 40,741,345	$ 4,615,488

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 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
2026	$ (43,764)
2027	7,893,151
2028	(1,166,311)
2029	(1,606,352)
Total	$ 5,076,724

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 4,972,434
2027	2,627,181
2028	1,911,763
Total	$ 9,511,378

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
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 SEP’s 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 SEP 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%)	$ 194,147,665
Current discount rate (6.90%)	130,694,429
1% increase (7.90%)	78,277,005

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 $10,967,572 (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, 2025. Total contributions to the plan amounted to $892,692.

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, 2025, the District made payments of $680,189, $764,025, $1,585,297, and $3,787,993 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, 2025.

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, 2025.

Construction Commitments

As of June 30, 2025, the District had approximately $59.2 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 California Community Colleges Chancellor's Office, as well as private donations and redevelopment funding sources.

Note 13 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by $4,471,049 and $24,420,247, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table:

Primary Government	
Net Position - Beginning, as previously reported on July 1, 2024	$ 68,239,861
Change in accounting principle - adoption of GASB Statement No. 101	(28,891,296)
Net Position - Beginning, as restated on July 1, 2024	$ 39,348,565

Required Supplementary Information
June 30, 2025

Riverside Community College District

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	$ 4,922,633	$ 4,266,021	$ 4,344,808	$ 5,504,586
Interest	4,059,779	3,869,656	3,594,546	2,351,137
Changes of benefit terms	114,510,969	-	-	-
Difference between expected and actual experience	7,340,385	(3,089,449)	115,781	(9,193,626)
Changes of assumptions	(19,201,663)	725,873	1,813,257	(12,862,377)
Benefit payments	(3,543,970)	(3,840,082)	(4,116,590)	(5,105,272)
Net change in total OPEB liability	108,088,133	1,932,019	5,751,802	(19,305,552)
Total OPEB Liability - Beginning	93,262,887	91,330,868	85,579,066	104,884,618
Total OPEB Liability - Ending (a)	$ 201,351,020	$ 93,262,887	$ 91,330,868	$ 85,579,066
Plan Fiduciary Net Position				
Contributions - employer	$ 2,483,420	$ 2,347,047	$ 2,725,558	$ 3,156,425
Net investment income	670,339	522,636	334,917	(732,901)
Benefit payments	(2,000,000)	(1,930,000)	(2,330,000)	(2,780,000)
Administrative expense	(5,180)	(4,743)	(4,057)	(4,664)
Net change in plan fiduciary net position	1,148,579	934,940	726,418	(361,140)
Plan Fiduciary Net Position - Beginning	4,772,691	3,837,751	3,111,333	3,472,473
Plan Fiduciary Net Position - Ending (b)	$ 5,921,270	$ 4,772,691	$ 3,837,751	$ 3,111,333
Net OPEB Liability - Ending (a) - (b)	$ 195,429,750	$ 88,490,196	$ 87,493,117	$ 82,467,733
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.94%	5.12%	4.20%	3.64%
Covered Payroll	$ 175,046,062	$ 144,748,752	$ 130,339,328	$ 134,621,361
Net OPEB Liability as a Percentage of Covered Payroll	111.64%	61.13%	67.13%	61.26%
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 5,302,858	$ 1,621,345	$ 1,723,506	$ 1,751,284
Interest	2,695,924	3,144,666	2,976,284	2,928,661
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(129,893)	1,960,004	701,697	-
Changes of assumptions	3,612,704	50,373,442	(846,693)	-
Benefit payments	(5,254,816)	(3,304,004)	(4,315,779)	(3,585,234)
Net change in total OPEB liability	6,226,777	53,795,453	239,015	1,094,711
Total OPEB Liability - Beginning	98,657,841	44,862,388	44,623,373	43,528,662
Total OPEB Liability - Ending (a)	$ 104,884,618	$ 98,657,841	$ 44,862,388	$ 44,623,373
Plan Fiduciary Net Position				
Contributions - employer	$ 3,455,849	$ 5,546,232	$ 4,679,405	$ 6,209,619
Net investment income	887,627	205,072	191,351	116,869
Benefit payments	(3,100,644)	(5,235,658)	(4,315,779)	(5,968,234)
Administrative expense	(4,629)	(3,040)	(2,718)	(2,197)
Net change in plan fiduciary net position	1,238,203	512,606	552,259	356,057
Plan Fiduciary Net Position - Beginning	2,234,270	1,721,664	1,169,405	813,348
Plan Fiduciary Net Position - Ending (b)	$ 3,472,473	$ 2,234,270	$ 1,721,664	$ 1,169,405
Net OPEB Liability - Ending (a) - (b)	$ 101,412,145	$ 96,423,571	$ 43,140,724	$ 43,453,968
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.31%	2.26%	3.84%	2.62%
Covered Payroll	$ 110,528,602	$ 115,037,704	$ 84,110,182	$ 85,823,805
Net OPEB Liability as a Percentage of Covered Payroll	91.75%	83.82%	51.29%	50.63%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

	2025	2024	2023	2022
Annual money-weighted rate of return, net of investment expense	13.30%	9.56%	6.72%	(12.29%)
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022

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

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

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.2571%	0.2485%	0.2383%	0.2464%
Proportionate share of the net OPEB liability	$ 685,401	$ 754,180	$ 784,851	$ 982,884
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	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.2799%	0.2717%	0.2527%	0.2355%
Proportionate share of the net OPEB liability	$ 1,186,062	$ 1,011,907	$ 967,313	$ 990,620
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	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

	2025	2024	2023	2022	2021
CalSTRS					
Proportion of the net pension liability	0.1763%	0.1680%	0.1588%	0.1639%	0.1606%
Proportionate share of the net pension liability	$ 118,386,513	$ 127,977,327	$ 110,312,487	$ 74,603,493	$ 155,655,296
State's proportionate share of the net pension liability associated with the District	54,316,139	61,317,536	55,244,062	37,537,584	80,240,323
Total	$ 172,702,652	$ 189,294,863	$ 165,556,549	$ 112,141,077	$ 235,895,619
Covered payroll	$ 116,963,309	$ 98,809,770	$ 98,689,894	$ 94,672,520	$ 91,342,404
Proportionate share of the net pension liability as a percentage of its its covered payroll	101.22%	129.52%	111.78%	78.80%	170.41%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
CalPERS					
Proportion of the net pension liability	0.3657%	0.3733%	0.3837%	0.3793%	0.3815%
Proportionate share of the net pension liability	$ 130,694,429	$ 135,116,774	$ 132,010,859	$ 77,121,739	$ 117,041,355
Covered payroll	$ 71,955,491	$ 60,079,389	$ 58,754,876	$ 54,408,304	$ 54,715,111
Proportionate share of the net pension liability as a percentage of its covered payroll	181.63%	224.90%	224.68%	141.75%	213.91%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018	2017	2016
CalSTRS					
Proportion of the net pension liability	0.1536%	0.1408%	0.1301%	0.1386%	0.1322%
Proportionate share of the net pension liability	$ 138,729,236	$ 129,401,609	$ 120,279,953	$ 112,090,120	$ 89,023,018
State's proportionate share of the net pension liability associated with the District	75,686,060	74,088,473	71,156,604	63,810,906	47,083,363
Total	$ 214,415,296	$ 203,490,082	$ 191,436,557	$ 175,901,026	$ 136,106,381
Covered payroll	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924	$ 63,394,932
Proportionate share of the net pension liability as a percentage of its its covered payroll	156.59%	159.30%	163.79%	159.10%	140.43%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CalPERS					
Proportion of the net pension liability	0.3630%	0.3459%	0.3150%	0.3277%	0.3284%
Proportionate share of the net pension liability	$ 105,786,553	$ 92,235,592	$ 75,188,020	$ 64,730,434	$ 48,412,453
Covered payroll	$ 50,257,602	$ 45,678,186	$ 40,139,783	$ 39,298,827	$ 36,227,160
Proportionate share of the net pension liability as a percentage of its covered payroll	210.49%	201.92%	187.32%	164.71%	133.64%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

	2025	2024	2023	2022	2021
CalSTRS					
Contractually required contribution	$ 23,385,846	$ 22,339,992	$ 18,872,666	$ 16,698,330	$ 15,289,612
Less contributions in relation to the contractually required contribution	(23,385,846)	(22,339,992)	(18,872,666)	(16,698,330)	(15,289,612)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 122,438,984	$ 116,963,309	$ 98,809,770	$ 98,689,894	$ 94,672,520
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%
CalPERS					
Contractually required contribution	$ 21,537,755	$ 19,197,725	$ 15,242,141	$ 13,460,742	$ 11,262,519
Less contributions in relation to the contractually required contribution	(21,537,755)	(19,197,725)	(15,242,141)	(13,460,742)	(11,262,519)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 79,622,015	$ 71,955,491	$ 60,079,389	$ 58,754,876	$ 54,408,304
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%

	2020	2019	2018	2017	2016
CalSTRS					
Contractually required contribution	$ 15,619,551	$ 14,422,750	$ 11,721,821	$ 9,238,158	$ 7,559,706
Less contributions in relation to the contractually required contribution	(15,619,551)	(14,422,750)	(11,721,821)	(9,238,158)	(7,559,706)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 91,342,404	$ 88,591,830	$ 81,232,301	$ 73,435,278	$ 70,453,924
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%
CalPERS					
Contractually required contribution	$ 10,790,367	$ 9,077,528	$ 7,094,279	$ 5,574,613	$ 4,655,732
Less contributions in relation to the contractually required contribution	(10,790,367)	(9,077,528)	(7,094,279)	(5,574,613)	(4,655,732)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 54,715,111	$ 50,257,602	$ 45,678,186	$ 40,139,783	$ 39,298,827
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%

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* – The valuation was updated to include benefits offered to retirees aged 65 or older with 10 or more years of service who met the eligibility criteria established by the District since the previous valuation.
- *Changes of Assumptions* - The discount rate was changed from 4.21% to 4.81% 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 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% 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, 2025

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, 2025

Member	Office	Term Expires
Jose Alcala	President	2026
Virginia Blumenthal	Vice President	2026
Mary Figueroa	Secretary	2028
Bill Hedrick	Member	2028
Keri Then	Member	2026

Administration as of June 30, 2025

Dr. Wolde-Ab Isaac, Ph.D.	Chancellor
Mr. Aaron Brown	Vice Chancellor, Business and Financial Services
Vacant	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, 2025

Dr. Eric Bishop, Ph.D.	President, Riverside City College
Dr. Monica Green, Ed.D.	President, Norco College
Dr. Rudy Besikof	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
Corporation for National and Community Service				
Passed through Governor's Office of Service and Community Engagement				
AmeriCorps - CaliforniansForAll College Corpos	94.006	CCFG117/CCGF118/ CCGF119	$ 1,601,791	$ -
U.S. Department of Agriculture				
Passed through Regents of the University of California, Riverside				
Six Legs, Endless Possibilities	10.223	S-001289	18,001	-
Total U.S. Department of Agriculture			18,001	-
U.S. Department of Commerce				
Passed through California Manufacturing Technology Consulting				
Manufacturing Workforce	11.611	[1]	18,483	-
Total U.S. Department of Commerce			18,483	-
U.S. Department of Defense				
Procurement Technical Assistance for Business Firms	12.002		524,359	-
Passed through California State University - San Bernardino				
Inland Empire Cybersecurity Initiative	12.905	H98230-21-1-0174	173,468	141,798
Total U.S. Department of Defense			697,827	141,798
U.S. Department of Justice				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		90,955	-
Total U.S. Department of Justice			90,955	-
U.S. Department of Labor				
H-1B Job Training Grants	17.268		541,947	-
Apprenticeship Building America (ABA)	17.285		923,440	624,772
Total U.S. Department of Labor			1,465,387	624,772
U.S. Department of State				
Passed through World Learning Inc.				
Increase and Diversify Education Abroad for U.S. Students (IDEAS)	19.009	IDEAS21-RCC01	2,571	-
Total U.S. Department of State			2,571	-
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		73,291,194	-
Federal Pell Grant Program-Administrative Allowance	84.063		91,145	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		1,499,612	-
Federal Supplemental Educational Opportunity Grant Administrative Allowance	84.007		115,191	-
Federal Work-Study Program	84.033		1,414,205	-
Federal Work-Study Program - Administrative Allowance	84.033		86,977	-
Federal Direct Student Loans	84.268		3,030,383	-
Subtotal Student Financial Assistance Cluster			79,528,707	-

[1] Pass-Through Identifying Number is 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
TRIO Cluster				
Student Support Services	84.042A		$ 2,266,034	$ -
Talent Search	84.044A		294,524	-
Upward Bound	84.047A		1,783,008	-
Upward Bound - Math and Science	84.047M		500,670	-
Upward Bound - Veterans	84.047V		149,163	-
Subtotal TRIO Cluster			4,993,399	-
Centers of Excellence for Veteran Student Success	84.116G		152,448	-
Basic Needs for Postsecondary Students	84.116N		45,777	-
Inland Empire Technical Trade Center	84.116Z		670,904	-
Career Project Training	84.116Z		934,582	-
Military Articulation Platform Expansion	84.116Z		2,226,849	-
Subtotal			4,030,560	-
Minority Science and Engineering Improvement Program	84.120A		367,223	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		95,858	-
Title III - STEM	84.031C		2,632,800	85,600
Title V - "Echale Ganas": Family Support	84.031S		68,073	-
Title V - Pathways to Access, Completion, Equity, and Success (PACES)	84.031S		262,810	-
Title V - STEM - RCC	84.031S		483,907	-
Title V - Engage, Empower, Succeed: Student Pathways Project	84.031S		418,859	-
Passed through University Enterprise Corporation at CSUSB				
Pathways to Success: Creating Opportunities in the Arts & Humanities	84.031S	SA22149	27,022	-
Title V - Here to Career	84.031S	GT16146	804	-
Subtotal			3,894,275	85,600
Passed through California Department of Education				
Adult Education and Family Literacy	84.002A	14508	41,618	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act, Perkins Title I, Part C	84.048A	[1]	1,806,167	-
Regional Collaboration and Coordination	84.048A	[1]	252,172	-
Subtotal			2,058,339	-
Total U.S. Department of Education			95,009,979	85,600
U.S. Department of Health and Human Services				
GLS Campus Suicide Prevention	93.243		133,575	-
Substance Abuse and Mental Health Services	93.243		126,486	-
Subtotal			260,061	-

[1] Pass-Through Identifying Number is 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
Passed through California Community Colleges Chancellor's Office				
Foster & Kinship Care Educational Program	93.658	[1]	$ 30,371	$ -
Temporary Assistance for Needy Families (TANF)	93.558	[1]	185,485	-
Total U.S. Department of Health and Human Services			475,917	-
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	95,388	-
Total U.S. Department of the Treasury			95,388	-
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	7,809	-
Total National Aeronautics and Space Administration (NASA)			7,809	-
U.S. Department of the Veterans Affairs				
Veterans Services	64.117		12,881	-
Total U.S. Department of Veterans Affairs			12,881	-
Research and Development Cluster				
National Science Foundation				
Data Science Corps	47.070		52,076	-
Improving Undergraduate STEM Education	47.076		22,747	-
Closing STEM Student Equity Gaps	47.076		164,339	-
S-STEM	47.076		126,988	-
S-STEM Accelerating Chemistry Engagement and Success	47.076		166,271	-
Cyber Security	47.076		32,868	-
Reaching for the Stars	47.076		199,808	-
Passed through Virginia Polytechnic Institute and State University				
Collaborative Research: S-STEM Organizational Partnerships Research Hub	47.076	480801-19F70	14,529	-
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	46,537	-
Subtotal Research and Development Cluster			826,163	-
Total Federal Financial Assistance			$100,323,152	$ 852,170

[1] Pass-Through Identifying Number is not available.

Program	Program Revenues Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Accelerate In SoCal	$ 29,968	$ -	$ -	$ 29,968	$ 29,968
Adult Education Block Grant	812,558	-	391,132	421,426	421,426
Afrcan American Male Education Network Development	57,858	-	7,220	50,638	50,638
Asian American, Native Hawaiian and Pacific Island	367,570	-	276,484	91,086	91,086
Basic Needs Centers	3,322,811	-	1,104,035	2,218,776	2,218,776
CAI - Chabot Las Positas - Robert Half Cybersecurity	105,873	14,827	9,521	111,179	111,179
CAI - Short Order Cooks Apprenticeship Program	27,469	-	-	27,469	27,469
CAI Mt. San Jacinto Colleg (MSJC) Launch	42,122	-	-	42,122	42,122
CAI New & Innovative Grant Program	69,346	75,387	31,238	113,495	113,495
CalFresh Outreach	9,767	-	5,608	4,159	4,159
Cal Grants	10,110,846	-	-	10,110,846	10,110,846
California Apprenticeship Initiative	-	378,079	-	378,079	378,079
California College Promise (AB 19)	3,217,216	-	1,289,545	1,927,671	1,927,671
CalWORKs	1,417,927	-	48,508	1,369,419	1,369,419
Campus Safety and Sexual Assault	4,270	-	3,697	573	573
CARE	1,208,562	-	339,225	869,337	869,337
CCAP STEM Pathways Academy Grant	504,955	-	126,450	378,505	378,505
Center of Excellence	1,600,000	-	249,827	1,350,173	1,350,173
Chaffee Grants	950,000	-	-	950,000	950,000
College and Career Access Pathways	52,607	-	48,894	3,713	3,713
College Fellows	28,393	-	-	28,393	28,393
Common Course Numbering System	2,739,129		2,499,905	239,224	239,224
COVID-19 Recovery Block Grant	5,235,379	-	1,899,269	3,336,110	3,336,110
Culturally Responsive Pedagogy & Practices	171,447	-	90,995	80,452	80,452
Disabled Student Program & Services - DSPS	4,765,879	-	-	4,765,879	4,765,879
Dreamer Resource Liaison Support	992,110	-	771,446	220,664	220,664
Early Childhood Education Center	1,084,938	-	187,404	897,534	897,534
EEO Best Practices	190,238	-	176,438	13,800	13,800
English Language Learner Healthcare Pathways	1,233,927	-	826,658	407,269	407,269
Equitable Placement, Support and Completion	1,326,240	-	634,029	692,211	692,211
Extended Opportunity Programs and Services (EOPS)	5,352,230	-	1,279,419	4,072,811	4,072,811
Faculty and Staff Diversity	279,437	-	235,547	43,890	43,890

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Financial Aid Technology	$ 162,361	$ -	$ 95,694	$ 66,667	$ 66,667
Foothill-De Anza Community College District California Virtual Campus	4,941	-	4,941	-	-
Foster Care Education Program	67,196	-	4,473	62,723	62,723
Foster Youth College Access Demonstration	90,000	-	87,413	2,587	2,587
From Classroom to Community	-	7,687	-	7,687	7,687
Greater LA Data Science Pathways	12,220	4,461	-	16,681	16,681
Guided Pathways	920,226	-	421,691	498,535	498,535
High Road to Correctional Health Professions	33,822	35,460	-	69,282	69,282
High Road Training Partnership	120,779	689,397	-	810,176	810,176
Homeless and Housing Insecure Pilot Program	2,141,641	-	248,186	1,893,455	1,893,455
Hunger Free Campus Support Allocation	5,201	-	4,118	1,083	1,083
Inland Engineering Pathways Partnership K-16	491,528	-	357,228	134,300	134,300
Innovation in Higher Education	369,578	-	311,447	58,131	58,131
Institutional Effectiveness Partnership - Santa Clarita CCD	201,212	-	193,752	7,460	7,460
Instructional Equipment	1,409,598	-	1,227,186	182,412	182,412
Invention and Inclusive Innovation (i3) Initiative	9,885	-	416	9,469	9,469
JFK Middle College High School Counseling	610	2,552	-	3,162	3,162
K12 & K14 TAP Fund Return	2,039,502	-	1,781,250	258,252	258,252
K12 PC and K14 TAP Fund Return	2,289,807	-	678,758	1,611,049	1,611,049
K-12 Strong Workforce Program	51,573,285	-	30,438,448	21,134,837	21,134,837
Launch Apprenticeship Innovation Funding Training	66,422	-	21,312	45,110	45,110
Learning Lab	55,246	-	-	55,246	55,246
LGBTQ+	671,779	-	560,200	111,579	111,579
Library Services Platform	887	-	-	887	887
Local & Systemwide Technology & Data Security	452,134	-	294,527	157,607	157,607
Mental Health Program	1,062,712	-	67,464	995,248	995,248
MESA - Mathematics, Engineering, & Science Achievement	3,450,087	-	2,389,615	1,060,472	1,060,472
Middle College High School - Norco	264,368	-	107,130	157,238	157,238
Military Articulation Platform - Credit for Prior Learning	-	1,923,604	-	1,923,604	1,923,604
Military Articulation Platform Summit and Funding (MAPS)	368,337	-	172,333	196,004	196,004
Nextup (CAFYES)	2,185,679	-	342,560	1,843,119	1,843,119

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue/ Accounts Payable	Total Revenue	Program Expenditures
Nursing Education Program Support	$ 1,293,732	$ -	$ 661,670	$ 632,062	$ 632,062
Pathways to Cyber Success	297,691	-	105,588	192,103	192,103
Pathway to Law School Initiative	58,952	-	34,492	24,460	24,460
Programs for Institutional Pathway Engagement-STEM Area	21,538	32,239	-	53,777	53,777
Promoting Achievable College Transitions	563,995	-	454,983	109,012	109,012
PUENTE Program	301,697	-	262,735	38,962	38,962
Regional Collaboration and Coordination	2,396,659	-	1,242,418	1,154,241	1,154,241
Regional Equity and Recovery Partnership	92,909	-	24,189	68,720	68,720
Retention & Enrollment Outreach	1,774,046	-	1,050,982	723,064	723,064
Rising Scholars Network	2,772,174	76,924	1,845,185	1,003,913	1,003,913
Seamless Transfer of Ethnic Studies	66,911	-	22,551	44,360	44,360
SFAA - Base	2,516,353	-	273,486	2,242,867	2,242,867
Song Brown Capitation	37,500	112,500	-	150,000	150,000
Song Brown RN Special Program	101,250	303,750	291,742	113,258	113,258
Staff Development - Classified	119,878	-	119,878	-	-
Strong Workforce Program - Local	7,653,946	-	3,337,058	4,316,888	4,316,888
Strong Workforce Program - Regional	27,890,521	-	16,601,467	11,289,054	11,289,054
Student Equity and Achievement	14,375,843	-	1,228,365	13,147,478	13,147,478
Student Success Completion Grants	11,842,123	-	-	11,842,123	11,842,123
Student Transfer Achievement Reform Act	1,652,651	-	1,110,291	542,360	542,360
Systemwide Technology and Data Security	50,000	-	50,000	-	-
Tobacco Community Research Study	5,000	-	3,300	1,700	1,700
UC Riverside Health Professions Pathway Program	-	5,143	-	5,143	5,143
UC Riverside Math Discovery	-	741	-	741	741
UMOJA Campus Programs	332,959	-	34,365	298,594	298,594
UMOJA Community Education Foundation	235,908	-	182,437	53,471	53,471
Veteran Resource Center - Ongoing	530,014	-	47,929	482,085	482,085
Veterans Mental Health Demonstration Project	75,000	-	73,264	1,736	1,736
Western Riverside Council of Governments - IREN	49,155	50,845	-	100,000	100,000
Whale Tail	-	34,952	-	34,952	34,952
Zero Textbook Cost Program	2,430,830	-	2,169,106	261,724	261,724
Total state programs	$ 197,371,350	$ 3,748,548	$ 83,570,117	$ 117,549,781	$ 117,549,781

CATEGORIES	Reported Data**	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 Only)			
1. Noncredit*	28.69	-	28.69
2. Credit	3,083.29	-	3,083.29
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	9,508.06	-	9,508.06
(b) Daily Census Contact Hours	1,788.22	-	1,788.22
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	175.32	-	175.32
(b) Credit	2,174.50	-	2,174.50
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	9,521.24	-	9,521.24
(b) Daily Census Procedure Courses	5,871.94	-	5,871.94
(c) Noncredit Independent Study/Distance Education Courses	23.92	-	23.92
D. Total FTES	32,175.18	-	32,175.18
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	339.11	-	339.11
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	46.72	-	46.72
2. Credit	21.44	-	21.44
CCFS-320 Addendum			
CDCP Noncredit FTES	36.91	-	36.91
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	1,523.52	-	1,523.52

*Including Career Development and College Preparation (CDCP) FTES.
**Annual report revised as of October 31, 2025.

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	$ 51,635,589	$ -	$ 51,635,589	$ 51,635,589	$ -	$ 51,635,589
Other	1300	53,751,359	-	53,751,359	53,751,359	-	53,751,359
Total Instructional Salaries		105,386,948	-	105,386,948	105,386,948	-	105,386,948
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	22,876,680	-	22,876,680
Other	1400	-	-	-	3,006,604	-	3,006,604
Total Noninstructional Salaries		-	-	-	25,883,284	-	25,883,284
Total Academic Salaries		105,386,948	-	105,386,948	131,270,232	-	131,270,232
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	45,891,012	-	45,891,012
Other	2300	-	-	-	2,813,775	-	2,813,775
Total Noninstructional Salaries		-	-	-	48,704,787	-	48,704,787
Instructional Aides							
Regular Status	2200	3,282,124	-	3,282,124	3,282,124	-	3,282,124
Other	2400	487,490	-	487,490	535,471	-	535,471
Total Instructional Aides		3,769,614	-	3,769,614	3,817,595	-	3,817,595
Total Classified Salaries		3,769,614	-	3,769,614	52,522,382	-	52,522,382
Employee Benefits	3000	41,951,586	-	41,951,586	92,484,310	-	92,484,310
Supplies and Material	4000	-	-	-	1,819,368	-	1,819,368
Other Operating Expenses	5000	-	-	-	28,130,633	-	28,130,633
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		151,108,148	-	151,108,148	306,226,925	-	306,226,925

	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
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ 5,977,823	$ -	$ 5,977,823
Student Health Services Above Amount Collected	6441	-	-	-	162,884	-	162,884
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	6,068,396	-	6,068,396
Objects to Exclude							
Rents and Leases	5060	-	-	-	1,146,901	-	1,146,901
Lottery Expenditures							-
Academic Salaries	1000	-	-	-	6,494,420	-	6,494,420
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
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		-	-	-	-	-	-

	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
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		-	-	-	19,850,424	-	19,850,424
Total for ECS 84362, 50% Law		$ 151,108,148	$ -	$ 151,108,148	$ 286,376,501	$ -	$ 286,376,501
% of CEE (Instructional Salary Cost/Total CEE)		52.77%		52.77%	100.00%		100.00%
50% of Current Expense of Education					$ 143,188,250		$ 143,188,250

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 53,970,628
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 52,774,791	$ 1,195,837	$ -	$ 53,970,628
Total Expenditures for EPA		$ 52,774,791	$ 1,195,837	$ -	$ 53,970,628
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance - all District funds		
General Funds	$ 91,725,803	
Special Revenue Funds	9,631,570	
Capital Project Funds	211,285,948	
Debt Service Funds	54,014,799	
Internal Service Funds	14,890,380	
Total fund balance and retained earnings - all District funds		$ 381,548,500
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	830,252,177	
Accumulated depreciation and amortization is	(327,196,754)	
Total capital assets, net		503,055,423
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	22,436,581	
Deferred outflows of resources related to OPEB	21,907,726	
Deferred outflows of resources related to pensions	91,959,524	
Total deferred outflows of resources		136,303,831
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.		(6,568,030)
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	(496,042,831)	
Certificates of participation	(24,699,399)	
Leases	(718,285)	
Subscription-based IT arrangements	(1,050,561)	
Compensated absences	(37,906,956)	
Aggregate net other postemployment benefits (OPEB) liability	(196,115,151)	
Aggregate net pension liability	(249,080,942)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(1,683,330)	
Total long-term liabilities		(1,007,297,455)
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	(31,251,457)	
Deferred inflows of resources related to pensions	(21,224,153)	
Total deferred inflows of resources		(52,475,610)
Total net position (deficit)		$ (45,433,341)

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, 2025.

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. 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 SEFA 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 SEFA 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 Community Colleges 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

California *Education Code* section 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 California Community Colleges Chancellor's Office. This schedule provides a reconciliation of the amount reported to the California Community Colleges 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, 2025

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 6, 2026.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 13 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

District's Response to Finding

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

Purpose of this Report

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

Eide Bailly LLP

Ontario, California
February 6, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Riverside Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Riverside Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Ontario, California
February 6, 2026

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 2024-2025 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, 2025.

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, 2025.

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 2024-2025 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.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's 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 2024-2025 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 2024-2025 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.

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 498	COVID-19 Recovery Block Grant Expenditures

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
February 6, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

Riverside Community College District

Financial Statements

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

Federal Awards

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

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
Centers of Excellence for Veteran Student Success	84.116G
Basic Needs for Postsecondary Students	84.116N
Inland Empire Technical Trade Center	84.116Z
Career Project Training	84.116Z
Military Articulation Platform Expansion	84.116Z
Title III - STEM	84.031C
Title V - "Echale Ganas": Family Support	84.031S
Title V - Pathways to Access, Completion, Equity, and Success (PACES)	84.031S
Title V - STEM - RCC	84.031S
Title V - Engage, Empower, Succeed: Student Pathways Project	84.031S
Pathways to Success: Creating Opportunities in the Arts & Humanities	84.031S
Title V - Here to Career	84.031S

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

State Compliance

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

The following finding represents a material weakness in internal control over financial reporting that is required to be reported in accordance with *Government Auditing Standards*.

2025-001 Financial Reporting and Closing Process

Criteria
The accounting system used to record the fiscal activities 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
Material Weakness in Internal Control over Financial Reporting – During the course of the audit, audit adjustments were identified when reviewing the District's accounts receivable balances. Management elected to post the audit adjustments to ensure accurate financial reporting for the year ended June 30, 2025.

Context
Audit adjustments were posted to ensure that the financial statements were fairly stated for the year ended June 30, 2025.

Cause
The internal controls in place during the closing process, including the review of year-end reconciliations, were not sufficient to ensure accurate reporting of balances in the financial statements.

Effect
Material adjustments to the general ledger were proposed as a result of the audit procedures. These adjustments were accepted by management to ensure the financial statements were presented fairly.

Repeat Finding (Yes or No)
No.

Recommendation
We recommend that the District improve procedures over the financial closing process, to ensure that accounts are reconciled and reviewed for accurate financial reporting.

Views of Responsible Officials and Corrective Action Plan

The District will strengthen procedures for apportionment and student accruals as follows:

To improve accuracy and reduce the risk of errors in apportionment accruals, the District will record only current-year Student Centered Funding Formula (SCFF) apportionment transactions to Object 8611, while posting all other state apportionment activity, including prior-year adjustments and faculty hiring allocations, to separate object codes. This restructuring will isolate current-year SCFF activity, reduce the risk of misclassification, and strengthen the reliability of the year-end calculation. Additionally, the Director of Business Services will enhance the standardized apportionment workbook by incorporating built-in validation checks to help identify discrepancies and prevent calculation errors during year-end processing.

For student accounts receivable, the Accounting Service Manager will calculate the year-end accrual using a new methodology which includes the balances for the past 4 years with increasing allowances for collectability. The Controller will review all support documentation and approve before posting the journal entry.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Federal Awards Findings

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.

Current Status
Implemented.

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.

Current Status
Implemented.

State Compliance Awards

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.

Current Status
Implemented.