PRELIMINARY OFFICIAL STATEMENT DATED JUNE 1, 2022

NEW ISSUE - FULL BOOK-ENTRY **RATING: S&P: "AA"**
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

$35,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2022 Refunding General Obligation Bonds

Dated: Date of Delivery **Due: As shown on inside front cover.**

Authority and Purpose. The captioned bonds (the "Bonds") are being issued by the Los Rios Community College District (the "District") of Sacramento County (the "County"), California, which also includes territory in El Dorado, Yolo, Placer and Solano Counties (together with the County, the "Counties") pursuant to applicable provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on April 20, 2022. The Bonds are being issued by the District for the purpose of refinancing certain outstanding general obligation bonds of the District as more particularly identified herein and paying related costs of issuance. See "THE REFINANCING PLAN" and "THE BONDS - Authority for Issuance" herein. See also "PROPERTY TAXATION - Assessed Valuations" herein for more information about the location of and boundaries of the District.

Security. The Bonds are general obligations of the District payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The Board of Supervisors of Sacramento County, being the county in which the majority of District property is located, as well as the other Boards of adjoining counties in which portions of the District are located as more particularly described herein (collectively, the "Counties") have the power and are obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. The District has other series of general obligation bonds outstanding that are similarly secured by tax levies. See "SECURITY FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. The Bonds are dated the date of delivery and will accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2022. Payments of principal of and interest on the Bonds will be made by the County of Sacramento, Director of Finance, Sacramento, California, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Bonds are not subject to optional redemption prior to maturity. The Bonds may be subject to mandatory sinking fund redemption as described herein. See "THE BONDS -No Optional Redemption" and "-Mandatory Sinking Fund Redemption."

MATURITY SCHEDULE
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is serving as Underwriter's counsel in connection with the issuance of the Bonds. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about June 28, 2022.*

RAYMOND JAMES®

The date of this Official Statement is _________, 2022.

**Preliminary, subject to change.*
***A majority of the territory of the District is in Sacramento County, although its boundaries include territory in other adjacent counties as described herein.*

MATURITY SCHEDULE*

LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2022 Refunding General Obligation Bonds

Base CUSIP†: 545624

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

**Preliminary; subject to change.*

***A majority of the territory of the District is in Sacramento County, although its boundaries include territory in other adjacent counties as described herein.*

LOS RIOS COMMUNITY COLLEGE DISTRICT
SACRAMENTO COUNTY*, CALIFORNIA

DISTRICT ADMINISTRATIVE STAFF

Dr. Brian King, *Chancellor*
Mario Rodriguez, *Vice Chancellor, Finance and Administration*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company, Inc.
San Francisco, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

Director of Finance, County of Sacramento
Sacramento, California

UNDERWRITER'S COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation
San Francisco, California

**79.12% of the District's fiscal year 2021-22 assessed valuation is located in Sacramento County. The boundaries of the District also include property located in El Dorado, Yolo, Placer and Solano Counties. See "PROPERTY TAXATION - Assessed Valuations" herein.*

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any Bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts**.** When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website and certain social media accounts. However, the information presented therein is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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OFFICIAL STATEMENT

$35,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2022 Refunding General Obligation Bonds

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the captioned 2022 Refunding General Obligation Bonds (the **"Bonds"**) by the Los Rios Community College District (the "**District**").

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District commenced operations as a community college district on July 1, 1965. The District is a public, multi-campus community college district serving the greater Sacramento region which has a population of over 2 million residents. The District provides higher education instruction for the first and second years of college, as well as vocational training, at four campuses: American River College, Cosumnes River College, Folsom Lake College and Sacramento City College. The District also operates six additional educational centers which operate within its boundaries. The District's service area includes approximately 2,400 square miles, including most of Sacramento County (79.12% of the District's fiscal year 2021-22 assessed valuation is located in Sacramento County) and portions of El Dorado, Yolo, Solano and Placer counties (each, a "**County**"; collectively, the "**Counties**"). The District's total assessed value in fiscal year 2021-22 is $230,555,525,168. For more information regarding the District and its finances, see APPENDIX A and APPENDIX B hereto. See also APPENDIX C for demographic and other statistical information regarding Sacramento County, El Dorado County and Yolo County

Purposes. The net proceeds of the Bonds will be used to refinance on a current basis certain general obligation bonds previously issued by the District. See "THE REFINANCING PLAN" herein.

Authority for Issuance of the Bonds. The Bonds will be issued pursuant to the applicable provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on April 20, 2022 (the "**Bond Resolution**"). See "THE BONDS - Authority for Issuance" herein.

**Preliminary; subject to change.*
***79.12% of the District's fiscal year 2021-22 assessed valuation is located in Sacramento County. The boundaries of the District also include property located in El Dorado, Yolo, Placer and Solano Counties. See "PROPERTY TAXATION - Assessed Valuations" herein.*

COVID-19 Statement. The COVID-19 pandemic commenced in early 2020, resulting in a public health crisis that, notwithstanding the development and availability of several vaccines, continues to be fluid and unpredictable with financial and economic impacts that cannot be fully predicted. As such, investors are cautioned that the District cannot at this time predict all of the impacts that the COVID-19 pandemic has had or may have on its enrollment, average daily attendance, operations and finances, property values in the District, and economic activity in the District, the County, the State and the nation, among others. For more disclosure regarding the COVID-19 emergency, see "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19" herein. See also references to COVID-19 in the sections herein entitled "PROPERTY TAXATION", and in APPENDIX A under the heading "GENERAL DISTRICT INFORMATION" and "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Payment and Registration of the Bonds. The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption."

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable by the District solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the Counties. The Counties are empowered and obligated to annually levy *ad valorem* property taxes for the payment by the District of the principal of and interest on the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

The District has other series of general obligation bonds outstanding that are payable from *ad valorem* property taxes levied on taxable property in the District. See "DEBT SERVICE SCHEDULES" and "DISTRICT FINANCIAL INFORMATION – Long-Term Indebtedness - General Obligation Bonds" in APPENDIX A.

The District can make no representation regarding the affect that the COVID-19 pandemic may have had or will have on the assessed valuation of property within the District. See "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19."

Tax Matters. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available by request to the Office of the District Superintendent at Los Rios Community College District, 835 E. 14th Street, Room 200, San Leandro, California 94577, telephone: 510-667-3500. The District may impose a charge for copying, mailing and handling.

THE REFINANCING PLAN

The Refunded Bonds. The Bonds are being issued by the District to refund on a current basis certain maturities of the following bonds (the **"Prior Bonds"**, and with respect to the maturities to be refunded, the **"Refunded Bonds"**):

- Los Rios Community College District (Sacramento County, California) 2012 General Obligation Refunding Bonds issued in the original aggregate principal amount of $62,920,000.

The Refunded Bonds are identified more particularly in the following table.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Identification of Refunded Bonds*

Maturities Payable from Escrow (August 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP†
2023	$2,270,000	3.500%	8/1/22	100.0%	545624LC0
2023	1,000,000	5.000	8/1/22	100.0	545624LD8
2024	3,390,000	5.000	8/1/22	100.0	545624LE6
2025	3,540,000	5.000	8/1/22	100.0	545624LF3
2026	3,695,000	5.000	8/1/22	100.0	545624LG1
2027	3,865,000	5.000	8/1/22	100.0	545624LH9
2028	8,225,000	5.000	8/1/22	100.0	545624LJ5
2029	4,245,000	5.250	8/1/22	100.0	545624LK2
2030	4,445,000	5.250	8/1/22	100.0	545624LL0
Total:	$34,675,000		-	-	

**Preliminary; subject to change.*
† CUSIP Copyright American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of McGraw Hill Companies, Inc. Neither the District nor the Underwriter are responsible for the accuracy of such data.

Deposits in Escrow Fund. The District will deliver the net proceeds of the Bonds to U.S. Bank National Association, as escrow agent (the "**Escrow Agent**"), for deposit in an escrow fund (the "**Escrow Fund**") established under an Escrow Agreement (the "**Escrow Agreement**"), between the District and the Escrow Agent. The Escrow Agent will invest such funds in federal securities or hold such funds in cash, uninvested, and will apply such funds to pay the principal of and interest on the Refunded Bonds, including the redemption price of the Refunded Bonds, as set forth above, together with accrued interest to the redemption date identified above.

As a result of the deposit of funds with the Escrow Agent on the date of issuance of the Bonds, the Refunded Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

The Escrow Fund Securities and cash held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Bonds and will not be available for the payment of debt service with respect to the Bonds.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

LOS RIOS COMMUNITY COLLEGE DISTRICT
Sources and Uses

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds	
Principal Amount of Bonds	
Plus Net Original Issue Premium	
Total Sources	

Uses of Funds	
Deposit to Escrow Fund	
Costs of Issuance(1)	
Total Uses	

(1) Estimated costs of issuance include, but are not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, Municipal Advisor, Paying Agent, and the rating agency.

See also "APPLICATION OF PROCEEDS OF THE BONDS" herein.

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THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, and the Bond Resolution.

Description of the Bonds

The Bonds mature in the years and in the amounts and bear interest at the rates per annum all as set forth on the inside cover page hereof. Interest shall be computed based on a 360-day year of twelve 30-day months. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” below and “APPENDIX F – DTC and the Book-Entry Only System.”

The Bonds will be issued in the denomination of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2022 (each, an **“Interest Payment Date”**). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th calendar day of the month preceding the Interest Payment Date (each, a **“Record Date”**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2022, in which event it will bear interest from the date of delivery thereof identified on the cover page. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

See the maturity schedules on the inside cover page of this Official Statement and “DEBT SERVICE SCHEDULES” herein.

Book-Entry Only System

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company (“**DTC**”). Purchasers of the Bonds (the “**Beneficial Owners**”) will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the County of Sacramento, Director of Finance, Sacramento, California (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice. See “APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for payments made on account of beneficial ownership or any aspects of the records relating thereto, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

No Optional Redemption*

The Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption*

The Bonds maturing on August 1, 20__, and August 1, 20__ (the **“Term Bonds”**), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Bonds designated for redemption, at their addresses appearing on the registration books maintained by the Paying Agent. Such notice shall state the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, the Bonds called for redemption will cease to be entitled

**Preliminary; subject to change.*

to any benefit under the Bond Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered on the Bond Register will be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond will be made only to or upon the order of that person; neither the District, the County nor the Paying Agent will be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in Dallas, Texas (or at such other office as is designated by the Paying Agent) for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity and series. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the County and the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or Federal Securities in the necessary amount (as described above) to pay any outstanding Bond (whether upon or prior to its maturity), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in the Bond Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

As defined in the Bond Resolution, the term **"Federal Securities"** means (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; (d) pre-refunded municipal bonds rated in the highest rating category by any Rating Agency; and (e) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

DEBT SERVICE SCHEDULES

The following table shows the annual debt service schedule with respect to the Bonds (assuming no optional redemptions).

LOS RIOS COMMUNITY COLLEGE DISTRICT
Bonds Debt Service Schedule

Payment Date (August 1)	Principal	Interest	Total Debt Service
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
Total			

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Combined General Obligation Bonds Debt Service. The District has other series of general obligation bonds and refunding bonds outstanding. The following table shows the combined debt service schedule with respect to the District's outstanding general obligation bonds and the Bonds, assuming no optional redemptions. See Appendix A under the heading "DISTICT FINANCIAL INFORMATION – Long-Term Indebtedness" for additional information.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Combined Debt Service Schedule

Period Ending (Aug. 1)	Outstanding Bonds Annual Debt Service*	Bonds Debt Service	Aggregate Annual Debt Service
2022	$64,909,456		
2023	66,624,522		
2024	65,834,574		
2025	67,983,162		
2026	40,451,660		
2027	36,037,228		
2028	35,519,950		
2029	32,190,150		
2030	32,782,688		
2031	31,390,925		
2032	32,498,625		
2033	25,823,075		
2034	26,510,650		
2035	27,418,250		
2036	8,886,950		
2037	9,025,875		
2038	9,256,775		
2039	3,595,000		
2040	5,110,600		
2041	5,284,800		
2042	5,469,850		
2043	5,655,150		
2044	5,850,400		
TOTAL	**$644,110,315**		

**For the Preliminary Official Statement, includes debt service on the Refunded Bonds. See "THE REFINANCING PLAN".*

SECURITY FOR THE BONDS

Ad Valorem Property Taxes

Bonds Payable from* Ad Valorem *Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property in the District and collected by the Counties. The Counties are empowered and are obligated to annually levy *ad valorem* property taxes for the payment by the District of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Bonds Payable from* Ad Valorem *Property Taxes. The District has a number of general obligation bond issues outstanding which are payable from *ad valorem* property taxes on a parity basis. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* property taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

Levy and Collection. The Counties will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment by the District of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the County and which is irrevocably pledged by the District for the payment by it of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the Counties in the same manner and at the same time, and in the same installments as other *ad valorem* property taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* property taxes on real property.

Statutory Lien on* Ad Valorem *Property Tax Revenues. Pursuant to Senate Bill 222 effective January 1, 2016, voter approved general obligation bonds which are secured by *ad valorem* property tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* property tax levied by the Counties for the District to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of property values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, outbreak of disease or other natural disaster or man-made disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION

– Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value." See also below under the heading "--Disclosure Relating to COVID-19."

Debt Service Fund

Pursuant to the Bond Resolution, the County will establish a Debt Service Fund, into which will be deposited all taxes levied by the Counties for the payment by the District of the principal of and interest on the Bonds. The Debt Service Fund is pledged by the District for the payment by it of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The County will receive the tax proceeds collected by the Counties and will deposit said amounts into the Debt Service Fund, and will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to enable the District to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable.

Not a County Obligation

No part of any fund or account of the Counties are pledged or obligated to the payment of the Bonds. The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the Counties, for the payment by the District of principal of and interest on the Bonds. Although the Counties are obligated to collect the *ad valorem* property tax for the payment of the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the Counties.

Disclosure Relating to COVID-19

Background. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (**"COVID-19"**), which was first detected in China and spread throughout the world, including the United States, was declared a pandemic by the World Health Organization, a national emergency by President Trump and a state of emergency by the Governor of the State (the "**Governor**") in March 2020. Since said declarations, tremendous volatility in the financial markets occurred, and nations have taken actions to curb the spread including stay at home orders and other actions which have unknown long-term impacts including on worldwide and local economies. As of this date, several vaccines have been provided approval, most on an emergency basis, by federal health authorities and are widely available.

Federal Response. President Trump's declaration of a national emergency on March 13, 2020 made available more than $50 billion in federal resources to combat the spread of the virus. A multi-billion-dollar relief package was signed into law by President Trump on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In addition, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

On March 27, 2020, the United States Congress passed a $2 trillion relief package, being the largest national stimulus bill in history, referred to as the Coronavirus Aid, Relief, and Economic Security Act (the **"CARES Act"**). The package provided direct payments to taxpayers, jobless benefits, assistance to hospitals and healthcare systems, $367 billion for loans to small businesses, a $500 billion fund to assist distressed large businesses, including approximately $30 billion for emergency grants to educational institutions and local educational agencies. This funding allocation included approximately $13.5 billion in formula funding to make grants available to each state's educational agency in order to facilitate K-12 schools' responses to the COVID-19 pandemic.

On April 9, 2020, the Federal Reserve took actions aimed at providing up to $2.3 trillion in loans to support the national economy, including supplying liquidity to participating financial institutions in the Small Business Administration's (**"SBA"**) Paycheck Protection Program (**"PPP"**), purchasing up to $600 billion in loans through the Main Street Lending Program and offering up to $500 billion in lending to states and municipalities.

On April 24, 2020, an additional $484 billion federal aid package was signed, providing additional funding for the PPP, the SBA disaster assistance loans and grant program, hospital grants and funding for a COVID-19 testing program.

On December 27, 2020, President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act (the **"CRRSA Act"**), an additional $900 billion federal relief package intended to follow and expand on provisions of the CARES Act. The measure includes another round of direct stimulus payments to individuals and families, extended unemployment benefits, expanded the PPP, and provided approximately $82 billion in supplemental aid to support the educational needs of states, school districts, and institutions of higher education, among other stimulus measures.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (the **"ARP Act"**), a $1.9 trillion economic stimulus plan that provided another round of stimulus checks to individuals and families, extended federal supplemental unemployment benefits, provided more funding for state and local governments, expanded subsidies for healthcare insurance, and provided additional funding for COVID-19 testing, vaccination, and treatment, among several other provisions that affect many industries, businesses, and individuals. With respect to relief for educational agencies, grants of $125.8 billion are being provided to states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. Funding can be used for a number of education-related expenses, including inspecting and improving school facilities to ensure adequate air quality, providing mental health services, reducing class sizes, implementing social distancing guidelines, and purchasing personal protective equipment. At least 20% of the funding will have to be used to address learning loss, including through summer learning or enrichment, after-school programs, or extended-day or extended-year programs. States that receive the grants cannot reduce their spending levels on education as a proportion of their budgets during fiscal 2022 or 2023, compared with the average level from fiscal 2017 through 2019.

State Response. At the State level, on March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250. On March 16, 2020, the State legislature passed $1.1 billion in general purpose spending authority providing emergency funds to respond to the pandemic. On March 19, 2020, the Governor issued a state-wide blanket shelter-in-place order, ordering all California residents to stay home except for certain essential purposes. The restrictions initially began to be rolled back in May 2020 in accordance with State and local guidelines. Thereafter, on August 28, 2020, the Governor released a system entitled "Blueprint for a Safer California" (the **"State Blueprint"**) aimed at reducing the spread of COVID-19. The State Blueprint placed the State's 58 counties into four color-coded tiers generally based on test positivity and adjusted case rate in the county. Each tier imposed restrictions on certain activities to reduce the spread. The tier system was ultimately terminated on June 15, 2021, following significant reductions in positivity and hospitalizations due to the availability of effective COVID-19 vaccines.

On February 23, 2021, the Governor signed legislation providing $7.6 billion in State funding aimed at helping individuals and businesses that were not included in federal aid. It includes sending a $600 rebate to low-income, disabled and undocumented persons when 2020 taxes are filed, $2 billion in grants to help small business, $35 million for food and diaper banks and $400 million in subsidies for childcare providers. It also reverses cuts made last summer to public universities and State courts when the State had projected a record-breaking budget deficit.

Notwithstanding that several vaccines have been approved for public use with respect to COVID-19, the spread of COVID-19 and related variants is ongoing, and future actions to reduce its spread and its impact on global and local economies are uncertain and cannot be predicted. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (https://covid19.ca.gov/). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such website*s.

Impacts of COVID-19 Pandemic on Global and Local Economies Cannot be Predicted; Potential Declines in State and Local Revenues. The COVID-19 pandemic altered the behavior of businesses and people in a manner that may have had or will have negative impacts on global and local economies, including the economy of the State, which are still unknown. Notwithstanding the availability of several vaccines to address the severity of COVID-19, the District cannot predict the continued short or long term impacts the COVID-19 pandemic and the responses of federal, State or local governments thereto, will have on global, State-wide and local economies, which could impact District operations and finances, and local property values. For more detail regarding the State's current budget, and related reports and outlooks, see Appendix A under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Impacts of COVID-19 Emergency Uncertain. The possible impacts that the COVID-19 pandemic might have on the District's finances, programs, credit ratings on its debt obligations, local property values and the economy in general are uncertain at this time. In addition, there may be unknown consequences of the COVID-19 pandemic, which the District is unable to predict.

General Obligation Bonds Secured by* Ad Valorem *Property Tax Revenues. Notwithstanding the impacts the COVID-19 pandemic may have on the economy in the State, the County and the District or on the District's general purpose revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. The District cannot predict the impacts that the COVID-19 pandemic might have on local property values or tax collections. See "SECURITY FOR THE BONDS – *Ad Valorem* Property Taxes" and "PROPERTY TAXATION – Teeter Plan; Tax Levies and Delinquencies" herein.

PROPERTY TAXATION

Property Tax Collection Procedures

Generally. In California, property which is subject to *ad valorem* property taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the superior court clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order which may be enacted by the State legislature or declared by the Governor from time to time.

The District cannot predict whether future amendments or orders will occur, and what impact, if any, said future amendments or orders could have on the procedures relating to the levy and collection of property taxes, and related interest and penalties.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

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Assessed Valuation

Assessed Valuation History. The table below shows a recent history of the District's assessed valuation as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 1998-99 to 2021-22

Fiscal Year	Total District Assessed Valuation	Annual % Change
1998-99	$65,789,548,817	--%
1999-00	69,925,152,927	6.3
2000-01	75,575,857,134	8.1
2001-02	82,025,940,419	8.5
2002-03	90,450,990,841	10.3
2003-04	99,036,845,696	9.5
2004-05	111,002,046,502	12.1
2005-06	127,136,612,507	14.5
2006-07	146,073,098,133	14.9
2007-08	159,072,744,969	8.9
2008-09	162,099,904,433	1.9
2009-10	152,635,441,060	(5.8)
2010-11	148,772,252,362	(2.5)
2011-12	144,543,110,465	(2.8)
2012-13	141,501,079,781	(2.1)
2013-14	147,391,985,921	4.2
2014-15	156,423,111,776	6.1
2015-16	163,898,770,566	4.8
2016-17	172,786,786,876	5.4
2017-18	183,348,159,670	6.1
2018-19	195,607,823,849	6.7
2019-20	207,696,746,755	6.2
2020-21	219,570,556,876	5.7
2021-22	230,555,525,168	5.0

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and man-made or natural disasters such as earthquakes, fires, floods and drought. Seismic activity is also a risk in the region where the District is located.

The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation in late 2016 and early 2017 which resulted in related severe flooding and mudslides in certain regions. As of May 26, 2022, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly severe to exceptional drought conditions, with the County in the extreme drought category. During 2021, Governor Newsom proclaimed a drought state of emergency for all counties in the State, culminating with his October 19, 2021 proclamation, urging Californians to step up their water conservation efforts. In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. Local agencies can impose and enforce their own drought conservation rules.

In addition, the State has had several severe wildfires in recent years, which have burned thousands of acres and destroyed thousands of homes and structures. Several of the wildfires in recent years have originated in wildlands adjacent to urban areas.

Global Pandemic/Disease. Currently the world is experiencing a global pandemic as a result of the outbreak of COVID-19 which has resulted in an economic recession that could cause general marked declines in property values. For disclosure relating to the COVID-19 pandemic, see also "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19."

Future Conditions Unknown. The District cannot predict or make any representations regarding the effects that prolonged droughts or wildfires or any other type of natural or manmade disasters, including the COVID-19 pandemic, and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Assessed Valuation by Jurisdiction. The table below shows the assessed value of property within the District by jurisdiction.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2021-22

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Citrus Heights	$8,022,787,813	3.48%	$8,022,787,813	100.00%
City of Davis	9,786,204,663	4.24	$9,786,204,663	100.00%
City of Elk Grove	23,714,724,852	10.29	$23,714,724,852	100.00%
City of Folsom	16,579,975,701	7.19	$16,579,975,701	100.00%
City of Placerville	1,259,826,352	0.55	$1,259,826,352	100.00%
City of Rancho Cordova	10,548,307,102	4.58	$10,548,307,102	100.00%
City of Sacramento	62,005,051,671	26.89	$62,005,051,671	100.00%
City of West Sacramento	8,343,982,998	3.62	$8,343,982,998	100.00%
Unincorporated El Dorado County	26,951,527,286	11.69	$31,075,322,026	86.73%
Unincorporated Placer County	113,559,882	0.05	$37,544,705,975	0.30%
Unincorporated Sacramento County	61,539,004,181	26.69	$67,882,816,569	90.65%
Unincorporated Solano County	36,105,145	0.02	$5,440,170,227	0.66%
Unincorporated Yolo County	1,654,467,522	0.72	$5,572,717,612	29.69%
Total	$230,555,525,168	100.00%		
Summary by County:				
El Dorado County	$28,211,353,638	12.24%	$37,989,276,858	74.26%
Placer County	113,559,882	0.05	$89,922,153,562	0.13%
Sacramento County	182,409,851,320	79.12	$191,373,203,123	95.32%
Solano County	36,105,145	0.02	$62,725,366,078	0.06%
Yolo County	19,784,655,183	8.58	$31,729,718,880	62.35%
Total	$230,555,525,168	100.00%		

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The table below shows the land use of property within the District, as measured by assessed valuation and the number of parcels.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2021-22

Non-Residential:	**2021-22 Assessed Valuation** (1)	**% of Total**	**No. of Parcels**	**% of Total**
Agricultural/Rural	$1,015,895,395	0.46%	1,824	0.34%
Commercial/Office Buildings	33,009,857,254	14.82	12,510	2.33
Vacant Commercial	1,133,569,443	0.51	2,616	0.49
Industrial	19,216,034,418	8.63	7,000	1.30
Vacant Industrial	1,418,708,573	0.64	3,311	0.62
Recreational	1,137,563,261	0.51	785	0.15
Government/Social/Institutional	526,668,507	0.24	9,801	1.82
Miscellaneous	51,604,889	0.02	5,612	1.04
Subtotal Non-Residential	$57,509,901,740	25.82%	43,459	8.09%
Residential:				
Single Family Residence	$142,627,492,250	64.04%	425,176	79.15%
Condominium/Townhouse	2,378,394,958	1.07	15,124	2.82
Mobile Home	419,256,947	0.19	6,148	1.14
Mobile Home Park	278,036,535	0.12	112	0.02
2-4 Residential Units	3,788,345,762	1.70	19,004	3.54
5+ Residential Units/Apartments	11,310,547,684	5.08	3,444	0.64
Miscellaneous Residential Improvements	533,895,318	0.24	2,998	0.56
Vacant Residential	3,860,822,725	1.73	21,698	4.04
Subtotal Residential	$165,196,792,179	74.18%	493,704	91.91%
Total	$222,706,693,919	100.00%	537,163	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single-Family Residential Parcels. The table below shows the breakdown of the assessed valuations of improved single-family residential parcels in the District, including the median and average assessed value per parcel.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Per Parcel 2021-22 Assessed Valuation of Single-Family Homes

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	425,176	$142,627,492,250	$335,455	$298,477

2021-22 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	793	0.187%	0.187%	$13,389,155	0.009%	0.009%
$25,000 -$49,999	7,069	1.663	1.849	289,270,614	0.203	0.212
$50,000 - $74,999	13,725	3.228	5.077	861,225,595	0.604	0.816
$75,000 - $99,999	16,216	3.814	8.891	1,419,673,356	0.995	1.811
$100,000 - $124,999	18,074	4.251	13.142	2,038,876,880	1.430	3.241
$125,000 - $149,999	20,495	4.820	17.962	2,823,495,148	1.980	5.221
$150,000 - $174,999	22,239	5.231	23.193	3,616,188,426	2.535	7.756
$175,000 - $199,999	22,979	5.405	28.598	4,310,950,942	3.023	10.778
$200,000 - $224,999	22,463	5.283	33.881	4,770,270,924	3.345	14.123
$225,000 - $249,999	23,048	5.421	39.302	5,473,888,847	3.838	17.961
$250,000 - $274,999	24,018	5.649	44.951	6,307,251,297	4.422	22.383
$275,000 - $299,999	22,825	5.368	50.319	6,560,679,748	4.600	26.983
$300,000 - $324,999	22,176	5.216	55.535	6,926,198,366	4.856	31.839
$325,000 - $349,999	21,256	4.999	60.534	7,171,221,085	5.028	36.867
$350,000 - $374,999	20,182	4.747	65.281	7,310,966,549	5.126	41.993
$375,000 - $399,999	18,800	4.422	69.702	7,280,065,168	5.104	47.097
$400,000 - $424,999	16,934	3.983	73.685	6,980,898,145	4.894	51.992
$425,000 - $449,999	15,225	3.581	77.266	6,655,041,136	4.666	56.658
$450,000 - $474,999	13,195	3.103	80.370	6,095,976,429	4.274	60.932
$475,000 - $499,999	11,515	2.708	83.078	5,611,055,997	3.934	64.866
$500,000 and greater	71,949	16.922	100.000	50,110,908,443	35.134	100.000
	425,176	100.000%		$142,627,492,250	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

Reassessment or appeals of assessed values could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" in APPENDIX A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or blanket reassessments initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds) may be paid.

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Tax Rates

Contained within the District's boundaries are numerous overlapping local agencies. The following tables present a total tax rate for typical property owners within the District, in each of the five Counties in recent fiscal years.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Typical Total Tax Rate (1)

Sacramento County Portion (TRA 3-005)(2)

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Sacramento Unified School District	.1235	.0131	.0232	.0223	.0249
Los Rios Community College District	.0130	.1164	.1139	.1171	.0918
Total	$1.1365	$1.1295	$1.1371	$1.1394	$1.1167

El Dorado County Portion (TRA 54-135)(3)

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.000000	$1.000000	$1.000000
Buckeye Union School District	.0205	.0196	.019911	.019549	.019629
El Dorado Union High School District	.0164	.0147	.015724	.012937	.013761
Los Rios Community College District	.0130	.0131	.023200	.022300	.024900
Total	$1.0499	$1.0474	$1.058835	$1.054786	$1.058290
El Dorado Irrigation District (Land Only)	.0038	.0000	.000000	.000000	.000000

Yolo County Portion (TRA 4-039)(4)

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Washington Unified School District	.1038	.0920	.0810	.0730	.1148
Los Rios Community College District	.0130	.0131	.0232	.0223	.0249
Total	$1.1168	$1.1051	$1.1042	$1.0953	$1.1397

Placer County Portion (TRA 67-004)(5)

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Elverta Joint Unified School District	.0207	.0252	.0222	.0277	.0251
Twin Rivers Unified School District	.0867	.0816	.0810	.0813	.0794
Los Rios Community College District	.0130	.0131	.0232	.0223	.0249
Total	$1.1204	$1.1199	$1.1264	$1.1313	$1.1294

Solano County Portion (TRA 62-000)(6)

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Davis Joint Unified School District	.0170	.0160	.0678	.0658	.0668
Solano County Flood Control District	.0200	.0200	.0200	.0200	.0200
Los Rios Community College District	.0130	.0131	.0232	.0223	.0249
Total	$1.0500	$1.0491	$1.1110	$1.1081	$1.1117

(1) Per $100 of assessed valuation.
(2) 2021-22 assessed valuation of TRA 3-005 is $12,430,393,259 which is 5.39% of the district's total assessed valuation.
(3) 2021-22 assessed valuation of TRA 54-135 is $2,327,733,528 which is 1.01% of the district's total assessed valuation.
(4) 2021-22 assessed valuation of TRA 4-039 is $3,703,326,678 which is 1.61% of the district's total assessed valuation.
(5) 2021-22 assessed valuation of TRA 67-004 is $66,120,384 which is 0.03% of the district's total assessed valuation.
(6) 2021-22 assessed valuation of TRA 62-000 is $36,105,145 which is 0.02% of the district's total assessed valuation.
Source: California Municipal Statistics, Inc.

Teeter Plan; Property Tax Collections

The Boards of Supervisors of the Counties have adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the **"Teeter Plan"**), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in a County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. However, as a result of such participation, it is not entitled to delinquency penalties or interest.

Each of the Counties includes in its Teeter Plan the one percent general fund apportionment, and the District participates in each of the Teeter Plans with respect to its share of the one percent general fund apportionment. Sacramento County, Yolo County and Solano County include the District's *ad valorem* property tax levies in its Teeter Plan as well. Placer County and El Dorado County do not include the District's *ad valorem* levies for general obligation bonds in its Teeter Plans, so the District is subject to delinquencies in those Counties, and entitled to penalties and interest.

Under the statute creating the Teeter Plan, a Board of Supervisors can under certain circumstances terminate the Teeter Plan in part or in its entirety with respect to an entire County and, in addition, a Board of Supervisors can terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that a Teeter Plan were terminated, the receipt of the levy of *ad valorem* property taxes in the District would depend upon actual collections with respect to the portions of the District within that County.

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The following table shows a history of secured tax charges and delinquencies in the portion of the District located in Sacramento County.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Secured Tax Charges and Delinquencies
(Sacramento County Portion of the District)

Fiscal Year	Secured Tax Charge(1)	Amount Delinquent June 30	% Delinquent June 30
2005-06	$3,073,755	$68,096	2.22%
2006-07	8,006,287	297,387	3.71
2007-08	7,895,817	366,727	4.64
2008-09	8,934,394	336,685	3.77
2009-10	13,828,588	382,536	2.77
2010-11	9,850,702	222,466	2.26
2011-12	20,272,816	345,403	1.70
2012-13	19,827,084	265,911	1.34
2013-14	19,715,669	230,323	1.17
2014-15	13,109,867	136,067	1.04
2015-16	11,040,726	93,884	0.85
2016-17	18,033,065	142,327	0.79
2017-18	17,766,340	143,133	0.81
2018-19	19,126,952	153,263	0.80
2019-20	36,104,426	343,905	0.95
2020-21	36,848,994	293,235	0.80

(1) Debt service levy only for the Sacramento County portion of the District's debt service levy (the Sacramento portion of District assessed valuation representing 78% of total District assessed valuation). The District issued its first general obligation bonds in August 2002. See "Assessed Valuation" below for more information about the relative contribution of the counties of Sacramento, El Dorado, Yolo, Placer and Solano to the District's total assessed valuation.

Source: California Municipal Statistics, Inc.

The District cannot provide any assurances that the Counties will continue to maintain the Teeter Plan described above or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19."

Major Taxpayers

The following table shows the 20 largest owners of secured taxable property in the District as determined by secured assessed valuation.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater the amount of tax collections that are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Top Twenty Secured Property Taxpayers
Fiscal Year 2021-22

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total [1]
1.	Intel Corporation	Office Building	$871,471,888	0.39%
2.	Oakmont Properties	Apartments	635,987,408	0.29
3.	Ethan Conrad	Office Building	420,918,971	0.19
4.	Pac West Office Equities LP	Office Building	354,316,943	0.16
5.	BRE Delta Industrial Sacramento LP	Industrial	353,361,494	0.16
6.	City of Sacramento & The Sacramento Kings	Sports Arena	320,347,451	0.14
7.	MP Holdings LLC	Office Building	266,875,664	0.12
8.	Target Corporation	Commercial Stores	246,813,385	0.11
9.	Wal Mart Real Estate Business Trust	Commercial Stores	226,489,327	0.10
10.	Apple Computer Inc.	Industrial	210,299,779	0.09
11.	Sacramento CA I FGF LLC	Office Building	203,288,013	0.09
12.	Hancock SREIT Sacramento LLC	Office Building	200,809,050	0.09
13.	Harsch Investment Properties LLC	Industrial	191,650,926	0.09
14.	SRI Eleven 621 Capitol Mall LLC	Office Building	191,545,434	0.09
15.	GPT Props Trust	Office Building	189,636,998	0.09
16.	M&H Realty Partners VI LP	Commercial Properties	189,497,228	0.09
17.	Natomas Development Partners LLC	Office Building	173,064,534	0.08
18.	Prime US-Park Tower LLC	Office Building	167,214,577	0.08
19.	California-American Water Company	Water Company	156,237,864	0.07
20.	Ragingwire Data Centers Inc.	Industrial	155,103,510	0.07
			$5,724,930,444	2.57%

(1) 2020-21 local secured assessed valuation: $222,706,693,919.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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LOS RIOS COMMUNITY COLLEGE DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of April 1, 2022

2021-22 Assessed Valuation: $230,555,525,168

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/22
Los Rios Community College District	**100.000%**	**$498,180,000** (1)
Folsom-Cordova Unified School District School Facilities Improvement Districts	100.000	495,573,520
Elk Grove Unified School District	100.000	309,250,000
Natomas Unified School District	100.000	404,974,258
Sacramento Unified School District	100.000	488,647,966
San Juan Unified School District	100.000	602,168,565
Twin Rivers Unified School District	100.000	51,225,000
Other Unified School Districts	Various	306,324,483
High School and Elementary School Districts	Various	477,391,081
Cameron Community Services District	100.000	5,729,000
Other Special Districts	100.000	16,860,000
Elk Grove Unified School District Community Facilities District No. 1	100.000	178,666,133
City of Folsom Community Facilities Districts	100.000	148,675,000
City of Sacramento Community Facilities Districts	100.000	199,670,000
City of West Sacramento Community Facilities Districts	100.000	106,511,094
Other Community Facilities Districts	100.000	683,872,511
1915 Act and Benefit Assessment Bonds (Estimate)	100.000	498,875,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$5,472,593,989
OVERLAPPING GENERAL FUND DEBT:		
Sacramento County General Fund Obligations	95.316%	$122,268,842
Sacramento County Pension Obligation Bonds	95.316	595,916,900
Other County Obligations	Various	86,271,632
Sacramento Unified School District Certificates of Participation	100.000	55,030,000
Twin Rivers Unified School District Certificates of Participation	100.000	8,090,000
Other Unified School District General Fund Obligations	Various	100,072,135
High School District and School District General Fund Obligations	Various	42,434,144
City of Sacramento General Fund Obligations	100.000	558,215,000
Other City General Fund Obligations	100.000	67,404,030
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	94.376	36,278,135
Special District General Fund Obligations	Various	39,280,992
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,711,261,810
Less: Sacramento County supported obligations		13,093,896
City of Elk Grove supported obligations		8,100,000
City of Sacramento supported obligations		407,267,782
City of West Sacramento supported obligations		7,535,642
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,275,264,490
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$311,766,926
GROSS COMBINED TOTAL DEBT		$7,495,622,725 (2)
NET COMBINED TOTAL DEBT		$7,059,625,405

Ratios to 2021-22 Assessed Valuation:
Direct Debt ($498,180,000).. 0.22%
Total Direct and Overlapping Tax and Assessment Debt 2.37%
Gross Combined Total Debt.. 3.25%
Net Combined Total Debt... 3.06%

Ratios to Redevelopment Incremental Valuation ($16,719,165,429):
Total Overlapping Tax Increment Debt 1.86%

(1) Excludes the Bonds but includes the Refunded Bonds as described herein. See "THE REFINANCING PLAN."
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium – Bonds. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or may cause the interest on the Bonds to be subject to or exempted from state income taxation, or cause the Bonds to not be "qualified tax-exempt obligations," or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds, as applicable. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Legality for Investment

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

The District is subject to lawsuits and claims that may arise in the regular course of operating a community college district. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, San Francisco, California as Bond Counsel and Disclosure Counsel to the District, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Underwriter's Counsel, and Dale Scott & Company, Inc., as Municipal Advisor to the District, is contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in substantially the form attached hereto as APPENDIX E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an **"Annual Report"**) not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 2023 with the report for the 2021-22 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board (the **"MSRB**"). The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the **"Rule"**).

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of the District's outstanding general obligation bonds and other indebtedness (see information in APPENDIX A under the heading "DISTRICT FINANCIAL

INFORMATION – Long-Term Indebtedness"). A review of the District's prior undertakings and filings made in the previous five years has been undertaken. Instances of material noncompliance occurring in the previous five years are that notice of the District's S&P rating upgrade which occurred on November 28, 2017 was filed more than ten days late on January 23, 2018, and notice of the incurrence of a financial obligation which was undertaken on June 11, 2020 was filed more than ten days late on May 23, 2022.

In order to assist in future timely compliance with its disclosure undertakings for its outstanding obligations and the Bonds, the District has contracted with Dale Scott & Company, Inc. to serve as dissemination agent for the Bonds and the outstanding obligations of the District.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned a rating of "AA" to the Bonds.

Such rating reflects only the views of S&P and an explanation of the significance of such rating may be obtained only from S&P. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement because it is not material for purposes of making an investment decision). There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Raymond James & Associates, Inc. (the "**Underwriter**"), has agreed to purchase the Bonds pursuant to a bond purchase agreement for the Bonds (the **"Bond Purchase Agreement**"). The Underwriter has agreed to purchase the Bonds at a price of $_________ (representing the principal amount of the Bonds of $__________, plus net original issue premium of $________, less an underwriter's discount of $__________).

The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds (if any are purchased) and provide that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell Bonds to certain securities dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Dallas, Texas.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

LOS RIOS COMMUNITY COLLEGE DISTRICT

By: ______________________________

Vice Chancellor,
Finance and Administration

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this Appendix and in other sections concerning the District's operations, financial information, and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds are payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof. For a more detailed description of the security for the Bonds, see "SECURITY FOR THE BONDS" in the front half of the Official Statement.*

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DISTRICT GENERAL INFORMATION

The District

The Los Rios Community College District, (the "**District**") a political subdivision of the State of California (the "**State**"), was established on July 1, 1964, and commenced operations on July 1, 1965. The District is a multi-campus public community college district serving the greater Sacramento region and provides higher education instruction for the first and second years of college and vocational training. The District's service area includes most of Sacramento County and portions of Yolo, Solano, Placer and El Dorado counties, with a total area population exceeding two million residents.

The District operates four separately accredited colleges: American River, Sacramento City, Cosumnes River, and Folsom Lake, short descriptions of which follow:

- ***American River College*** ("**ARC**"), founded in 1955, is situated on 153 acres in northern Sacramento and is the largest of the four colleges serving approximately 30,880 students at its main campus as well as off-campus locations including the Natomas Educational Center in the northwestern area of Sacramento.

- ***Sacramento City College*** ("**SCC**"), founded in 1916, is the seventh oldest public community college in the State and serves over 19,600 students, including educational services provided in Yolo County at the Davis Educational Center and the West Sacramento Center.

- ***Cosumnes River College*** ("**CRC**"), founded in 1970, is situated on 150 acres in south Sacramento, one of the fastest growing regions of the District, and serves more than 13,980 students at its main campus as well as the Elk Grove Center.

- ***Folsom Lake College*** received its first accreditation on January 19, 2004. Its main campus serves students in the eastern part of Sacramento County. The El Dorado Center of Folsom Lake College serves students in the Placerville area of El Dorado County. The college also has a center in the city of Rancho Cordova which was formally approved by the Board of Governors in March 2016. Total enrollment for the Folsom Lake College exceeds 9,160 students.

In addition, the District operates six educational centers, including the Workforce and Economic Development Center which provides employee training and consultant services to business, government and industry in the greater Sacramento metropolitan area and portions of northeastern California.

For background and demographic information about the region in which the District is located, see "APPENDIX C – General Demographic Information about Sacramento County, El Dorado County and Yolo County."

Administration

Governing Board. The District is governed by a Board of Trustees (the "**Board**") consisting of seven members with each representing a service area of the District. Members are elected to four-year terms and elections are held every two years, alternating between three and four available positions. The current members of the Board are as follows:

LOS RIOS COMMUNITY COLLEGE DISTRICT
Board of Trustees

Trustee Name	Area	Term Expires
Tami Nelson, President	7	December 2024
John Knight, Vice President	3	December 2024
Dustin Johnson, Trustee	1	December 2022
Robert Jones, Trustee	2	December 2022
Kelly Wilkerson, Trustee	4	December 2024
Pamela Haynes, Trustee	5	December 2024
Deborah Ortiz, Trustee	6	December 2022

Chancellor. The Chancellor of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Dr. Brian King is the District's current Chancellor and he has served as chancellor of the District since February 2013. Dr. King is widely recognized as an educational leader committed to student success. Dr. King previously served as President/Superintendent of Cabrillo College in Aptos, California and as a faculty member and administrator in the Springfield, Missouri community college system. He has more than 20 years of community college teaching and administrative experience. Dr. King received his bachelor's degree in history from the University of Missouri; a juris doctorate from Duke University School of Law; and a doctorate in higher education from the University of Arkansas.

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Recent Enrollment Trends

The following table shows the number of full-time equivalent students for the District for the fiscal years 2008-09 through 2021-22.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Annual Full-Time Equivalent Students
Fiscal Years 2008-09 through 2021-22 (Projected)

	Full-Time Equivalent Students[1]			
Fiscal Year	**Achieved**	**Percentage Change**	**Reported[2]**	**Percentage Change**
2008-09	59,516	--	58,901	--
2009-10	59,965	0.8%	59,965	1.8%
2010-11	56,499	(5.8)	56,499	(5.8)
2011-12	52,466	(7.1)	52,466	(7.1)
2012-13	50,499	(3.7)	50,499	(3.7)
2013-14	49,936	(1.1)	50,209	(0.6)
2014-15	49,853	(0.2)	52,171	3.9
2015-16	50,311	0.9	47,779	(8.4)
2016-17	49,173	(2.3)	52,640	10.2
2017-18	47,847	(2.7)	44,313	(15.8)
2018-19	47,954	0.2	51,167	15.5
2019-20	47,529	(0.9)	44,316	(13.3)
2020-21	42,798	(10.0)	42,798	(3.4)
2021-22[3]	40,000	(6.5)	40,000	(6.5)

(1) Resident enrollment.
(2) Includes summer shift.
(3) Projected.
Source: Los Rios Community College District.

The COVID-19 pandemic has had an impact on the number of FTEs. The District is undertaking outreach to recent high school graduates and others to help address recent declines.

District's Response to COVID-19 Pandemic

To reduce the potential for community transmission of COVID-19 and in accordance with all official recommendations, guidelines and mandates, the District generally closed its campuses and facilities in March 2020. The reopening of the colleges commenced thereafter in accordance with all requirements of State and local authorities. At this time in the 2021-22 fiscal year, the District offers in-person and online classes, and has made adjustments to its spaces and offices in accordance with all applicable mandates and other guidelines.

The District has received and/or been allocated funding from federal and State sources in the combined total amount of approximately $226 million in one-time mitigation funding from combined State and federal programs to address expenses arising from the COVID pandemic. These funds have and will be spent in accordance with applicable guidelines.

Enrollment in Community Colleges in California and nationally is down significantly, despite efforts made to keep students in classes with the sudden transition to online education. Technology and funding were distributed to students in an effort to keep them engaged. The District suffered a decrease of over 10%. Ongoing efforts are being made to boost enrollment numbers, including developing a call center for students, robust marketing campaigns, and other efforts.

The ongoing impacts of the COVID-19 emergency on global, State-wide and local economies, which could impact District operations and finances, and local property values are unknown and cannot be predicted by the District. See also information herein under the heading "SECURITY FOR THE BONDS - Disclosure Relating to COVID-19 Global Pandemic."

Employee Relations

The following table summarizes current bargaining units, contract status and number of employees covered. Management and confidential employees are not represented by bargaining units.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Fiscal Year 2021-22
Bargaining Organization and Contract Dates

Bargaining Organization	Acronym	Contract Beginning Date	Contract Ending Date
Los Rios College Federation of Teachers	LRCFT	01/01/21	06/30/23
Los Rios Classified Employees Association	LRCEA	07/01/21	06/30/24
Service Employees International Union	SEIU	07/01/21	06/30/24
Los Rios Supervisors' Association	LRSA	07/01/18	06/30/21*

* The COVID-19 pandemic delayed settlement of the bargaining unit contract, The parties entered into a memorandum of understanding extending the existing agreement pending settlement of the successor agreement.
Source: Los Rios Community College District.

Insurance; Risk Management

The District is a participant in the Schools Excess Liability Fund (**"SELF"**). SELF is a joint powers authority (**"JPA"**) created to provide services and other items necessary and appropriate for the establishment, operation, and maintenance of a self-funded excess liability fund for public education agencies, which are parties thereto. Should excess liability claims exceed amounts funded to SELF by all participants, the District may be required to provided additional funding.

The District is also a participant in the Statewide Association of Community Colleges ("**SWACC**"). SWACC is a JPA established for the purpose of providing the services, facilities, and items necessary and appropriate for the establishment, operation, and maintenance of a self-insurance system for property and liability claims and losses against public educational agencies who are members thereof. Should property claims exceed amounts funded by SWACC by all participants, the District may be required to provide additional funding. Should liability claims excess established SWACC limits, the District has excess coverage with SELF. SWACC also provides for additional insurance and risk management programs and services as well as a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self-insurance for losses and other insurance and risk management programs and services. SELF and SWACC are independently accountable for their fiscal matters and are not component units of the District for financial reporting purposes.

The District's insurance policies also provide coverage for cyber-security incidents. For more information regarding the JPA, see Note 11 of Appendix B to the Official Statement.

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DISTRICT FINANCIAL INFORMATION

Funding of Community College Districts in California

Major Revenues. California community college districts (other than community-supported districts, as described below) receive, on average, approximately 52% of their funds from the State, approximately 44% from local sources, and approximately 4% from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery, and other minor sources. Local sources include property taxes, student fees, and miscellaneous sources.

Student-Centered Funding Formula. The Student-Centered Funding Formula ("**SCFF**") which commenced in 2018-19 is the formula currently used to allocate state general apportionment funding to California's community colleges. SCFF retained the Basic Allocation previously established under Senate Bill 361 (**"SB 361"**) in the 2006-07 fiscal year, but at significantly reduced rates. However, SCFF funds community college districts for outcomes and demographics, providing an incentive to improve students' success, especially students from economically disadvantaged backgrounds. The SCFF allocations for the fiscal year 2020-2021 and their respective weightings consist of:

(1) a **base allocation** (70%) consistent with the SB 361 formula of: (a) not less than $4,367 per credit FTES; (b) a uniform rate of $2,626 per noncredit FTES; and (c) $3,092 per FTES for the instructional category known as "career development and college preparation," all subject to cost of living adjustments;

(2) a **supplemental allocation** (20%) based on the number of students who receive a California Promise Grant, Pell Grant or are non-resident students that qualify for in-state tuition; and

(3) a **student success allocation** (10%) which will allocate funds for outcomes related to completion of associate degree transfers, associate degrees and bachelor's degrees, credit certificates, completion of transfer-level math and English within the first academic year of enrollment, transfer to four-year universities, completion of nine or more career technical education units and attainment of a regional living wage.

<u>Hold Harmless Provision</u>. During the three years of implementation of SCFF, no community college district will receive less funding than it received in 2017-18, and each district will receive an increase to reflect a cost-of-living adjustment. The formula includes a "stability" provision that delays any decrease in revenue by one year. The hold harmless provision has been extended by three years, through 2024-25, and districts will receive at least their 2017-18 funding, with a cost-of-living adjustment each year.

<u>Advisory Committees</u>. Two advisory committees will be established reporting to the Chancellor's Office and the Legislature.

District Accounting Practices

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been prepared using the economic focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant interfund transactions are eliminated. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Budget and Accounting Manual issued by the Chancellor's Office of the California Community College. For more information on the District's accounting policies, see Note 2 of "Appendix B - FISCAL YEAR 2020-21 AUDITED FINANCIAL STATEMENTS" attached hereto.

The District's Audited Financial Statements for fiscal year 2020-21 were prepared by Eide Bailly, LLP, San Ramon, California and are attached as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Chancellor's Office.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

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Revenues, Expenditures and Changes in Fund Net Position

The following table sets forth the District's recent audited revenues, expenses and change in net position. For fiscal year 2021-22, see the table below under "– District Budget."

LOS RIOS COMMUNITY COLLEGE DISTRICT
Summary of Revenues, Expenditures and Changes in Net Position
For Fiscal Years 2016-17 through 2020-21 (Audited)

	2016-17[1]	2017-18[1]	2018-19	2019-20	2020-21
Operating Revenues					
Tuition and Fees	$66,796,671	$66,740,194	$67,526,682	$62,903,712	$59,939,956
Less: Scholarship discount and allowances	(38,527,553)	(36,225,545)	(36,426,422)	(36,345,845)	(36,218,423)
Net tuition and fees	28,269,118	30,514,649	31,100,260	26,557,867	23,721,533
Grants and Contracts, non-capital:					
Federal	--	98,296,487	100,698,507	118,689,435	149,558,959
State	--	68,151,877	72,625,678	74,775,947	78,099,554
Local	--	2,936,116	4,540,874	4,009,677	609,757
Net grants and contracts, noncapital	--	177,865,059	169,384,480	197,475,059	228,268,270
Auxiliary enterprise sales and charges	18,716,617	17,657,106	18,093,248	15,154,863	44,577
Other operating revenues	3,339,701	3,394,392	3,921,696	4,835,892	6,371,623
Total Operating Revenues	50,325,436	220,950,627	230,980,263	244,023,681	258,406,003
Operating Expenses					
Salaries	238,505,743	247,622,479	254,316,148	261,278,059	251,827,441
Employee benefits	85,050,162	100,930,206	131,015,160	121,911,708	137,831,983
Supplies, materials and other operating expenses and services	67,867,769	74,672,993	81,871,596	82,151,655	43,943,599
Student financial aid	99,140,969	99,587,078	104,531,276	123,449,422	132,816,296
Depreciation	30,377,589	30,506,553	29,283,171	28,964,115	27,540,369
Total Operating Expenses	520,942,232	553,319,309	601,017,351	617,754,959	593,959,688
Operating Loss	(470,616,796)	(332,368,682)	(370,037,088)	(373,731,278)	(335,553,685)
Non-Operating Revenues (Expenses)					
State apportionments and education protection act, non-capital	193,706,829	200,504,978	207,192,451	206,815,546	202,166,451
Local property taxes	81,040,324	85,677,216	91,097,559	96,600,814	102,063,348
Taxes levied for other specific purposes-Debt service	28,788,075	29,875,225	30,965,422	54,195,068	51,884,222
Lottery, state taxes and other revenues	20,376,324	28,612,306	47,878,379	41,925,744	30,600,817
Investment income	3,025,602	4,361,729	8,747,731	9,904,309	2,414,018
Interest expense	(9,031,821)	(10,930,068)	(15,033,195)	(17,357,505)	(15,651,998)
Transfer from agency fund	--	1,894	210	25,730	--
Financial aid revenues, federal	95,707,205	--	--	--	--
Financial aid revenues, state	64,447,877	--	--	--	--
Financial aid revenues, local	3,314,970	--	--	--	--
Other non-operating revenues - grants/gifts	627,830	268,804	372,850	240,660	1,345,634
Total Non-Operating Revenues (Expenses)	482,003,215	338,372,084	371,221,407	392,350,366	374,822,492
Income Before Other Revenues and Expenses	11,386,419	6,003,402	1,184,319	18,619,088	39,268,807
Other Revenues and Expenses					
State apportionments, capital	6,136,801	7,572,302	8,580,899	3,366,407	2,740,404
Discontinued bookstore operations	--	--	--	--	(467,002)
Total Other Revenues and Expenses	6,136,801	7,572,302	8,580,899	3,366,407	2,273,402
Increase (decrease) in Net Position	17,523,220	13,575,704	9,765,218	21,985,495	41,542,209
Net Position, Beg. Of Year, as previously reported	268,837,646	292,838,572	306,414,276	316,179,494	338,164,989
Cumulative effect of change in account principles	--	--	--	--	2,450,105[3]
Prior period adjustment	6,477,706[2]	--	--	--	--
Net Position - End of Year	$292,838,572	$306,414,276	$316,179,494	$338,164,989	$382,157,304

Footnotes for table are on the next page:

(1) Certain reclassifications were made to Fiscal Years 2016-17 and 2017-18 to conform to a revised presentation of financial information.

(2) The District adopted GASB Statement No. 74, Financial Reporting for Postemployment Benefits Plans Other than Pension Plans and GASB Statement No 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. The implementation of these standards required a change in accounting principles to restate the beginning Net Position on the Statement of Revenues, Expenditures and changes in Net Position by $6,477,706.

(3) The District adopted GASB Statement No. 84, Fiduciary Activities. The implementation of these standards required a change in accounting principles to restate the beginning Net Position on the Statement of Revenues, Expenditures and Changes in Net Position by $2,450,105

Source: Los Rios Community College District Audit Reports.

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District Budget

The District is required by provisions of the State Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The Board of Governors of the California Community Colleges imposes a uniform budgeting format for all California community college districts. Under current law, the District Board of Trustees approves a tentative budget by July 1 and an adopted budget by September 15 of each fiscal year. The presentation of the District's audits as summarized in the previous section is used only for District's external audit. The District manages its funds in a different format, including with respect to its budgets and unaudited actuals. The following table shows the District's adopted general fund budget for fiscal year 2021-22.

LOS RIOS COMMUNITY COLLEGE DISTRICT
General Fund Budget and Fund Balances, Revenues and Expenditures
For Fiscal Year 2021-22 (Budgeted)

	2021-22 Adopted Budget
Beginning Balance, July 1	
Uncommitted	$23,092,303
Committed	91,159,422
Restricted	11,478,909
Total Beginning Fund Balance	125,730,634
Revenues:	
State Apportionment & Education Protection Account (EPA) Funds	193,797,992
SCFF Changes in FTES, Outcomes & Demographics	9,695,340
New Faculty Funding	3,112,305
Continuing Total Computational Revenue Adjustment	12,278,476
Local Property Taxes	102,686,144
Enrollment Fees, 98%: 2020-21 2021-22, $46/unit	17,148,096
Total Basic Allocation, COLA & Growth	338,719,353
Lottery Funds	6,933,622
Other General Purpose	34,514,469
Restricted/Special Programs Revenue	279,551,820
Total Revenue	659,719,264
Total Revenue and Beginning Fund Balance	**785,449,898**
Expenditures/Appropriations:	
Academic Salaries	178,191,384
Classified Salaries	101,678,371
Employee Benefits	141,583,554
Books, Supplies & Materials	48,361,283
Other Operating Expenses	122,044,727
Capital Outlay	14,238,798
Interfund Transfers/Other Outgo	145,711,527
Total Expenditures/Appropriations and Interfund Transfers	751,809,644
Ending Fund Balance, June 30:	
Uncommitted	22,000,638
Committed	4,596,422
Restricted	7,043,194
Total Ending Fund Balance	33,640,254
Total Expenditures/Appropriations & Ending Fund Balance	**$785,449,898**

Source: Los Rios Community College District.

General Fund Reserves

The California Community College Chancellor's Office recommends a prudent general fund unrestricted reserve of at least five percent of expenditures. District's falling below the five percent may be subject to fiscal monitoring by the Chancellor's Office. In addition, the District Board Policies require that the District maintain a five percent uncommitted contingency reserve.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to its audited financial statements commencing with the audit for fiscal year 2014-15. Statement No. 68 generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Historical STRS Contributions

Fiscal Year	Contribution
2011-12	$8,393,726
2012-13	9,134,316
2013-14	9,225,951
2014-15	10,573,510
2015-16	12,979,900
2016-17	16,500,606
2017-18	19,566,444
2018-19	21,585,563
2019-20	24,641,228
2020-21	21,633,010
2021-22*	21,299,499

*Budgeted.
Source: Los Rios Community College District.

Prior to fiscal year 2014-15, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. School districts were required to contribute by statute 8.25% of eligible salary expenditures and participants contributed 8% of their respective salaries. However, in September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming contribution rates at that time continued and other actuarial assumptions were realized. This shortfall resulted from the combination of investment losses and insufficient statutory contribution rates. To address this problem, in connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 (**"AB 1469"**). AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the **"2014 Liability"**) within 32 years by increasing member, K-14 school district and State contributions to STRS. Under AB 1469, K-14 school districts' contribution rates increased from fiscal years 2014-15 through 2020-21 as shown in the following table, along with projections for the employer rates for fiscal years 2021-22 through 2023-24.

STRS EMPLOYER CONTRIBUTION RATES
Fiscal Years 2014-15 through 2023-24

Fiscal Year	Employer Contribution Rate
2014-15	8.88%
2015-16	10.73
2016-17	12.58
2017-18	14.45
2018-19	16.28
2019-20	17.10(1)
2020-21	16.15(2)
2021-22	16.92
2022-23	19.10(3)
2023-24	19.10(3)

(1) Reduced from 18.13% under AB 1469 to 17.10% due to State supplemental payments to STRS under SB 90 and other State contributions to STRS.
(2) Reduced from 19.10% under AB 1469 to 16.15% due to State supplemental payments to STRS under SB 90 and other State contributions to STRS.
(3) Projected.
Source: AB 1469; STRS

The STRS unfunded liability, on a market value of assets basis, was approximately $105.875 billion as of June 30, 2020.

At June 30, 2021, the District reported a liability for the District's 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:

DISTRICT'S PROPORTIONATE SHARE OF
STRS NET PENSION LIABILITY
Year Ending June 30, 2021

Total net pension liability, including State share:	$246,350,963
District's proportionate share of net pension liability	114,877,283
TOTAL	$361,228,246

Source: Los Rios Community College District.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, the District is required to contribute an amount based on an actuarially determined employer rate. The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Historical CalPERS Contributions

Fiscal Year	Contribution
2011-12	$7,388,226
2012-13	7,589,804
2013-14	7,809,809
2014-15	8,404,663
2015-16	8,635,679
2016-17	10,751,974
2017-18	12,730,993
2018-19	14,619,968
2019-20	17,475,114
2020-21	16,896,695
2021-22*	18,731,794

*Budgeted.
Source: Los Rios Community College District.

The PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately $32.7 billion as of June 30, 2020 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate (its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over three years according to the following schedule.

PERS DISCOUNT RATE
Fiscal Years 2018-19 through 2020-21

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, was implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years. The discount rate was automatically lowered in July 2021 from 7.0% to 6.8% due to the investment return for fiscal year 2020-21. On November 15, 2021, the PERS Board voted to keep the discount rate at 6.8%.

The District’s employer contribution rates for the current and next two fiscal years are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2021-22 through 2023-24[1]

Fiscal Year	Employer Contribution Rate[2]
2021-22	22.910%
2022-23	26.100
2023-24	27.100

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.
(2) Expressed as a percentage of covered payroll. Rates have been reduced following adoption of the fiscal year 2020-21 State Budget and SB 90 and AB 84.
Source: PERS

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the PERS net pension liability totaling $180,835,055. The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.5894 percent and 0.5837 percent, respectively, resulting in a net increase in the proportionate share of 0.0057 percent.

California Public Employees’ Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (“**PEPRA**”), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA’s provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer’s current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information. Additional information regarding the District's retirement programs is available in Note 12 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Purchaser for accuracy or completeness.*

Public Agency Retirement System. The District has also adopted the Public Agency Retirement System ("**PARS**") Section 457 FICA Alternative Retirement Plan. The Plan is covered under Internal Revenue Code, Section 457. Plan participants include all individuals who have worked for the District on or after July 1, 2008, provided that they are not covered by any other retirement program (e.g., PERS or STRS) through District employment. The plan requires a contribution of at least 7.5% of wages. The contribution is split evenly with the employees contributing 3.75% and the District contributing 3.75%. The plan results in savings for both employees and the District. The District's contribution to the Plan for fiscal year ended June 30, 2021 was $205,267. Accounts are established in the name of each participant. Contributions are allocated directly to employee accounts. Participant account balances are fully vested and non-forfeitable. Participant account balances will be paid in a single distribution or direct rollover to another eligible retirement plan designated by the participant upon retirement or other termination. PARS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PARS annual financial report may be obtained from PARS, 5141 California Avenue, Suite 150, Irvine, California 92617-3069.

Other Post-Employment Benefits ("OPEB") - Health Care Benefits

Plan Description. The District administers the Los Rios Community College District Retiree Health Benefit Plan (the **"OPEB Plan"**), a single-employer defined benefit healthcare plan. The Board established the Los Rios Community College District Retiree Health Benefits Trust (the **"OPEB Trust"**). The OPEB Trust is used for the purposes of investment and disbursement of funds irrevocably designated by the District to fund future other post-employment benefits (**"OPEB"**).

As of the valuation date, June 30, 2019, the OPEB Plan had 987 retirees receiving benefits, 2,303 participating active employees and 99 retired employees entitled to but not receiving benefits.

Contribution Information. The District provides contributions on a pay-as-you-go basis and contributes to the OPEB Trust. The contribution requirements of the District are established and may be amended by the Board and by contractual agreement with employee groups. The District's OPEB Plan members are not required to contribute to the OPEB Plan. During the year ended June 30, 2021, the District contributed $3,888,649 to the OPEB Trust of which $3,526,109, was used for current benefit payments.

Actuarial Assumptions. The District's total OPEB asset was measured as of June 1, 2019 and was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: discount rate 5.00%, general inflation 2.75%, salary increases 3.25% (since benefits do not depend on salary, this is used only to allocate the costs of benefits between service years), long -term return on assets 5.00% (net of OPEB Plan investment expense; includes inflation), and healthcare cost trend rates 5.00% to 7.00% (Assumed to start at 7.00% and grade down to 5.00% for years 2024 and thereafter). Mortality for certificated and classified employees were based on a PERS 2017 Study and a STRS 2016 Study. The MacLeod Watts Scale 2018 is applied generationally for mortality improvement, from 2015 for PERS members and from 2016 for STRS members.

Rate of Return. The long-term expected rate of return on the 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 the OPEB Plan 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 weighing the expected future real rates of return by the target asset allocation percentage and added 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, 2021 are summarized in the following table:

Long-Term Rate of Return of OPEB Trust

Asset Class	**Long Term Expected real rate of return**
Equities	9.24%
Fixed Income	2.88%

Source: Los Rios Community College District 2020-21 Audited Financial Statement.

Discount Rate. The discount rate used to measure the total OPEB liability was 5.00%. The projection of cash flows used to determine the discount rate assumed that the District continues to make regular, sufficient contributions to the OPEB Trust in order to prefund the total OPEB liability. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current OPEB Plan members. 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 Net OPEB Asset of the District. The changes in net OPEB asset of the District as of June 30, 2021, are shown in the following table:

CHANGES IN NET OPEB ASSET
Los Rios Community College District
June 30, 2020 to June 30, 2021

	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability (Asset)**
Net OPEB asset at June 30, 2020	$120,646,487	$133,011,717	$(12,365,239)
Service Cost	4,280,025	--	4,280,025
Interest	6,158,278	--	6,158,278
Net investment income	--	9,957,190	(9,957,190)
Contributions - employer	--	4,054,415	(4,054,415)
Benefit payments	(3,521,891)	(3,521,891)	--
Changes in OPEB asset	6,916,412	10,489,714	(3,573,302)
Net OPEB asset at June 30, 2021	$127,562,890	$143,501,431	$(15,938,541)

Source: Los Rios Community College District 2020-21 Audited Financial Statement.

Sensitivity of the net OPEB asset to changes in the discount rate and healthcare cost trend rates. The net OPEB asset is based on the actuary report that relies on estimates and assumptions that affect the amounts reported. Particularly, changes in the discount and healthcare cost rates used can have significant impacts on the resulting actuarially determined net OPEB asset. Actual results may differ from those estimates and assumptions.

For more information regarding the District's OPEB and assumptions used in its most recent actuarial study, see Note 9 of Appendix B to the Official Statement.

Indebtedness of the District

The District has issued long-term debt in the form of general obligation bonds and refunding bonds and certificates of participation, as described below.

General Obligation Bonded Indebtedness. The following table summarizes the District's outstanding voter-approved general obligation bond indebtedness.

SUMMARY OF OUTSTANDING GENERAL OBLIGATION BOND DEBT
Los Rios Community College District

Issue	Date of Issue	Maturity Date	Original Principal Amount	Principal Outstanding April 1, 2022
Election of 2002				
Series E	06/27/13	08/01/38	$20,000,000.00	$15,325,000.00
Series F	02/08/18	08/01/23	27,500,000.00	15,730,000.00
Election of 2008				
Series B	06/27/13	08/01/38	60,000,000.00	51,100,000.00
Series C	02/08/18	08/01/32	65,000,000.00	57,240,000.00
Series D	06/26/19	08/01/44	80,000,000.00	39,190,000.00
Series E	07/01/21	08/01/35	130,000,000.00	127,000,000.00
Refundings				
2012 Refunding	03/28/12	08/01/30	62,920,000.00	41,055,000.00
2016 Refunding	04/21/16	08/01/26	39,315,000.00	22,040,000.00
2017 Refunding	12/19/17	08/01/35	106,850,000.00	104,070,000.00
2020 Refunding	06/11/20	08/01/27	10,945,000.00	9,080,000.00
2021 Refunding	07/01/21	08/01/27	16,755,000.00	16,350,000.00
			Total Outstanding:	**$498,180,000.00**

**Certain maturities to be refunded with the proceeds of the Bonds described in this Official Statement.*

State Lease Revenue Bonds. The State Public Works Board (the "**Public Works Board**") has issued lease revenue bonds for the purpose of funding certain facilities, including facilities of the District. These bonds are special obligations of the Public Works Board payable from State general fund revenues appropriated to the Board of Governors of the California community colleges, which makes provision in the annual budget of the State for the servicing of such bonds. In the event that the State could not pay the semi-annual installment payment due with respect to such bonds, the District would be responsible for the payments attributable to the District facilities financed with these proceeds. The Public Works Board leases the facilities to the District, and at maturity, title will vest in the District. The following facility constructed under the provisions described above had minimum annual payments remaining at June 30, 2021, as follows:

Facility	Lease Term	Proceeds from State	Funding Year	Minimum Annual Payments
Folsom Lake College Instructional Facilities IB	2005-2030	$36,841,000	2001-02	$809,709 to $2,499,000

Investment of District Funds

In accordance with Government Code Section 53600 *et seq*., the Sacramento County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. For further information concerning County investments, access the County's website: www.saccounty.net. Investment information can be found under the link to Financial Services. The information contained in such website has not been reviewed by the District or the Purchaser and is not incorporated in this Official Statement by reference. See "APPENDIX G - SACRAMENTO COUNTY INVESTMENT POOL - INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT"

STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive most of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

As described below in the summaries of State budgeting documents, the COVID-19 pandemic is expected to have a material impact on State revenues and appropriations.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the Underwriters or the County is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets

Certain information about the State budgeting process and the State budget (the "**State Budget**") is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. *The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District or the Underwriter and is not incorporated herein by reference.*

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Finance" and sub-heading "-Public Finance Division", (1) posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State, and (2) also posts various financial documents for the State under the "-Financial Information" link.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the headings "The Budget" and "State Budget Condition."

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools until a later date in the fiscal year or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. As a result of the COVID-19 pandemic and subsequent economic recession, budget-cutting strategies such as those used in recent years are being used and may continue to be used in the future during a period of budgetary strain.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

The 2021-22 State Budget

On June 14, 2021 the State Legislature adopted the 2021-22 State Budget Act bill (the **"2021-22 State Budget Act"**), and on June 28, 2021 adopted certain changes and associated trailer bills. On July 12, 2021, the Governor signed the 2021-22 State Budget Act (as enacted, the **"2021-22 State Budget"**), a historic $262.6 billion spending plan fueled by a $76 billion state surplus and $27 billion in aid from the federal government. The following is drawn from the Department of Finance (**"DOF"**) summary of the 2021-22 State Budget.

The 2021-22 State Budget indicates that revenues are up significantly from the forecast included in the Governor's proposed State budget for fiscal year 2021-22, resulting in a large budgetary surplus. This is a result of strong cash trends, two major federal relief bills since the beginning of 2021, continued stock market appreciation, and a significantly upgraded economic forecast from the prior fiscal year. The 2021-22 State Budget also reports that the State has received approximately $285 billion in federal COVID-19 stimulus funding for State programs. Although the 2021-22 State Budget acknowledges that building reserves and paying down debts are critical, the 2021-22 State Budget allocates approximately 85% of discretionary funds to one-time spending. The multi-year forecast reflects a budget roughly in balance, although the 2021-22 State Budget assumes that risks remain to the economic forecast, including a stock market decline that could reduce State revenues.

For fiscal year 2020-21, the 2021-22 State Budget projects total general fund revenues and transfers of $188.8 billion and authorizes expenditures of $166.1 billion. The State is projected to end the 2020-21 fiscal year with total available reserves of $39.8 billion, including $25.1 billion in the traditional general fund reserve, $12.3 billion in the State's Budget Stabilization Account (**"BSA"**), $1.9 billion in the Public School System Stabilization Account (**"PSSSA"**) and $450 million in the Safety Net Reserve Fund. For fiscal year 2021-22, the 2021-22 State Budget projects total general fund revenues and transfers of $175.3 billion and authorizes expenditures of $196.4 billion. The State is projected to end the 2021-22 fiscal year with total available reserves of $25.2 billion, including $4 billion in the traditional general fund reserve, $15.8 billion in the BSA, $4.5 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The balance in the PSSSA in fiscal year 2021-22 is projected to trigger school district reserve caps under Education Code Section 42127.01 beginning in fiscal year 2022-23.

The 2021-22 State Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2021-22 at $93.7 billion. This results in per-pupil funding of $13,976 from Proposition 98 funding, growing to $21,555 when accounting for all funding sources. The Proposed 2021-22 State Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2019-20 and 2020-21, setting them at $79.3 billion and $93.4 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of $47 billion from the level projected by the 2020-21 State budget.

Other significant features relating to K-12 school district funding include the following:

- *Local Control Funding Formula* – The 2021-22 State Budget funds a compounded COLA of 4.05%, representing an adjustment of 2.31% allocable to fiscal year 2020-21 and a fiscal year 2021-22 adjustment of 1.7%. Additionally, to assist local educational agencies address ongoing fiscal pressures, the 2021-22 State Budget also includes $520 million in Proposition 98 funding to provide a 1% increase in LCFF base funding. This discretionary increase, when combined with the compounded COLA, results in a 5.07% growth in LCFF funding over 2020-21 levels. In addition, to increase the number of adults providing direct services to students on school campuses, the 2021-22 State Budget includes an ongoing increase to the LCFF Concentration Grant of $1.1 billion, an increase from 50% to 65%. See "DISTRICT FINANCIAL INFORMATION - Education Funding Generally" herein. Local educational agencies that are recipients of these funds will be required to demonstrate in their LCAPs how these funds are used to increase the number of certificated and classified staff on their campuses, including school counselors, nurses, teachers, paraprofessionals, custodial staff, and other student support providers.

- *Deferrals* – The State budget for fiscal year 2020-21 deferred approximately $1.9 billion in K-12 apportionments in fiscal year 2019-20, growing to more than $11 billion in fiscal year 2020-21. The 2021-22 State Budget eliminates in its entirety all K-12 deferrals in fiscal year 2021-22.

- *Universal Transitional Kindergarten* – The 2021-22 State Budget includes a series of provisions intended to incrementally establish a universal transitional kindergarten for four-year-old children. Full implementation is expected by fiscal year 2025-26. Local educational agencies will able to use fiscal year 2021-22 for planning and infrastructure development. The 2021-22 State Budget indicates that the costs to the State general fund of the plan are projected to be approximately $600 million in fiscal year 2022-23, growing to approximately $2.7 billion in fiscal year 2025-26. The 2021-22 State Budget includes $200 million in one-time Proposition 98 funding for planning and implementation grants for all local educational agencies, and $100 million in one-time Proposition 98 funding to train and increase the number of early childhood educators. To build on and enhance the quality of the existing transitional kindergarten program, the 2021-22 State Budget also proposes new ongoing Proposition 98 funding beginning in fiscal year 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom, reducing adult-to-child ratios from 1:24 to 1:12.

- *Student Supports* – $3 billion, available over several years, to expand and strengthen the implementation and use of community school models in communities with high levels of poverty. Community schools typically integrate health, mental health and other services for students and families and provide these services directly on school campuses. In addition, the 2021-22 State Budget provides $547.5 million in one-time Proposition 98 funding to assist high school students, particularly those that are eligible for free and/or reduced priced meals, English learners or foster youth, to graduate having completed certain classes required for admission to the California State University and University of California systems.

- *County Offices of Education*. In recognition of the disproportionate impact of the COVID-19 pandemic on youth in foster care, the 2021-22 State Budget provides $30 million in one-time Proposition 98 funding to county offices of education to work with local partners to coordinate and provide direct services to these students.

- *Expanded Learning Time* – $1.8 billion of Proposition 98 funding as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their number of low-income students, English language learners, and youth in foster care, with local educational agencies with the highest concentrations of these students receiving a higher funding rate. All local educational agencies will be required to offer expanded learning opportunities to the students generating the funding, with the local educational agencies receiving the higher funding rate required to offer expanded learning opportunities to all students. Students will have access to no-cost after school and summer programs, which when combined with regular instructional time, is expected to provide these students with the opportunity for nine hours of developmentally appropriate academics and enrichment activities per instructional day and for six weeks each summer. Additionally, these programs will be required to maintain adult-to-student ratios of no less than 1:10 for transitional kindergarten and kindergarten students and 1:20 for students in first through sixth grades.

- *Educator Preparation, Retention and Training* – $2.9 billion to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure, including meeting the needs of early childhood educators.

- *Nutrition* – $54 million in additional Proposition 98 funding to reimburse all meals served to students, including those who would not normally qualify for reimbursement under the State's existing meal program. Beginning in fiscal year 2022-23, all public schools will be required to provide two free meals per day to any student who requests one, regardless of income eligibility. Further, all schools eligible for the federal universal meals provision program will be required to apply for it, and the State will cover any remaining unreimbursed costs up to the federal free per-meal rate, at an estimated annual cost of $650 million in Proposition 98 funding. Additionally, the 2021-22 State Budget provides $150 million in one-time Proposition 98 funding for school districts to upgrade kitchen infrastructure and equipment, and to provide training to food service employees.

- *Remote Learning* – The 2021-22 State Budget requires that all districts return to full-time in-person instruction for the 2021-22 school year. Consistent with all school years prior to fiscal year 2020-21, this mode of instruction will be the default for all students, and generally one of only two ways in which local educational agencies can earn State apportionment funding in fiscal year 2021-22. However, to give families a high-quality option for non-classroom based instruction, and to provide local educational agencies with an option to generate state funding by serving students outside the classroom in response to parent requests, the Budget requires school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the state's existing independent study programs.

- *Special Education* – $1.7 billion to invest in and improve instruction and services for students with disabilities to provide, among other things, learning recovery support, an increase in the State-wide base funding rate for special education funding, a 4.05% COLA to State special education funding, and early intervention services for preschool-aged children.

- *Career Technical Education ("**CTE**")* – An increase of $150 million in ongoing Proposition 98 funding to augment opportunities for local educational agencies to participate in the CTE Incentive Grant Program. The 2021-22 State Budget also provides an increase of $86.4 million in one-time Proposition 98 funding for CTE regional occupational centers or programs operated by joint powers authorities to address costs associated with the COVID-19 pandemic.

For additional information regarding the 2021-22 State Budget, see the DOF website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by reference.

The 2022-23 Proposed State Budget

As Introduced. On January 10, 2022, the Governor outlined his proposed budget for fiscal year 2022-23 to the State legislature (the **"2022-23 Proposed State Budget"**). The State has a projected surplus of $45.7 billion, which includes $20.6 billion in General Fund for discretionary purposes, $16.1 billion in additional Proposition 98 for K-14 education, and $9 billion in reserve deposits and supplemental pension payments. The 2022-23 Proposed State Budget allocates 86% of the discretionary surplus to one-time investments, and is projected to be structurally balanced in fiscal year 2025-26, the last year in the multi-year forecast.

The 2022-23 Proposed State Budget reflects $34.6 billion in budgetary reserves. The Rainy Day Fund is now at the constitutional maximum (10% of General Fund revenues) requiring $2.4 billion to be dedicated for infrastructure investments in 2022-23. The 2022-23 Proposed State Budget accelerates the paydown of State retirement liabilities as required by Proposition 2, with $3.9 billion in additional payments in 2022-23 and nearly $8.4 billion projected to be paid over the next three years. In addition, the 2022-23 Proposed State Budget projects the State Appropriations Limit or "Gann Limit" will likely be exceeded in the 2020-21 and 2021-22 fiscal years, and as such any funds above this limit are constitutionally required to be allocated evenly between schools and a tax refund. An updated calculation of this limit, and proposals to address it, will be included in the May Revision.

Highlights of the 2022-23 Proposed State Budget are:

- To address COVID-19, a request for early action to allocate an additional $1.4 billion for the remainder of the 2021-22 fiscal year, and reflects $1.3 billion for 2022-23 to continue COVID-19 efforts in the 2022-23 fiscal year.

- To permanently expand the State's ability to protect public health and address social determinants of health, includes $300 million General Fund for the Department of Public Health and local health jurisdictions and also includes major ongoing investments to modernize public health data systems that have been critical during the COVID-19 pandemic.

- Total funding of $119 billion for K-12 education, with K-12 per-pupil funding of $15,261 Proposition 98 General Fund, its highest level ever, and $20,855 per pupil when accounting for all funding sources.

- $1 billion Proposition 98 General Fund to universal transitional Kindergarten to all four-year-olds, increasing access to at least 56,000 children and reducing student-to-adult ratios, with full implementation planned by fiscal year 2025-26.

- $309 million total funds to focus the State preschool program to better serve dual language learners and students with disabilities.

- $3.4 billion Proposition 98 General Fund ongoing to support for after-school and summer program, with access to expanded-day, full-year instruction and enrichment for all elementary school students and an additional $937 million Proposition 98 General Fund to support integrating arts and music into enrichment programs.

- $500 million in additional tax relief over several years for the small business relief program through state conformity for qualified California recipients of federal relief grants in significantly impacted industries.

- $150 million one-time General Fund to support small businesses previously waitlisted in prior rounds of the State's Small Business COVID-19 Relief Grant Program.

- $3 billion General Fund over the next two years to reduce the Unemployment Insurance Trust Fund debt owed to the federal government.

- $1.7 billion to expand the State's health and human services workforce, including training strategies to increase the State's workforce of nurses, social workers, emergency medical technicians, behavioral health care providers, and community health care workers.

- $35 million General Fund to create regional workforce development and training hubs focused on climate change and $30 million General Fund over two years to train, develop, and certify forestry professional.

- $1.2 billion over two years to continue investments in forest health and fire prevention, including a major new reforestation effort.

- $750 million General Fund to address immediate drought response needs, including $250 million set aside as a contingency.

- $9.1 billion ($4.9 billion General Fund and $4.2 billion Proposition 1A bond funds) to support the continued development of a first-in-the-nation, electrified high-speed rail system, regional transit and rail projects, bicycle and pedestrian projects, and climate adaptation projects, with a particular focus on aligning the State's transportation system with its climate goals.

- $6.1 billion (General Fund, Proposition 98 General Fund, federal funds, and Greenhouse Gas Reduction Fund) over five years, which builds on last year's unprecedented zero-emission package, for a total of $10 billion to advance California's climate and transportation goals.

- $2 billion General Fund over two years to provide incentives for long-duration-storage projects, renewable hydrogen, and industrial decarbonization, including in the food processing sector.

- $1.5 billion over two years to accelerate the development of affordable housing.

- $30 million to create the Office of Health Care Affordability, charged with increasing the transparency of pricing, developing specific cost targets for different sectors of the health care industry, and imposing financial consequences for entities failing to meet these targets.

- $2 billion General Fund over two years to continue the State's efforts to address homelessness by investing in behavioral health housing and encampment cleanup grants.

- $285 million General Fund over three years for grants to bolster local law enforcement response to organized retail theft crime, as well as to assist local prosecutors in holding perpetrators accountable and $18 million General Fund over three years for the Attorney General to prosecute organized retail theft crimes.

- $5 million ongoing General Fund for the Attorney General to continue leading anti-crime task forces throughout the State.

May Revise. Governor Newsom's 2021-22 May Revision of the 2022-23 State Budget, released May 13, 2022, includes an unprecedented level of State funding. Despite high unemployment for the past year and increased State costs in responding to the pandemic, the 2022-23 State Budget has $41 billion more in State revenue than anticipated in the version presented in January 2022. When combined with federal funds, the total surplus is more than $75 billion.

For the first time in nearly forty years, budget funding exceeds the Gann Limit, which caps State budget spending based on a formula that limits budget growth to population increases and inflation. The 2022-23 State Budget anticipates that state funding will exceed the Gann Limit by $16.2 billion in 2023, and in response expands the Golden State Stimulus tax refunds to families earning less than $75,000 and increases state funding for K-12 education.

The proposed Budget includes substantial reserve funds including $15.9 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies, $450 million in the Safety Net Reserve, $4.6 billion in the Public School System Stabilization Account, and $3.4 billion for the state's operating reserve.

With respect to community college districts, the May Revise proposes them to receive $1.5 billion of the $1.6 billion in higher education spending increases over and above the governor's January budget. Community colleges will see increases in Student Centered Funding Formula base funding and a larger than usual COLA, and more one-time funding to address deferred maintenance and technology funding to modernize technology to protect data, and several other one-time initiatives.

The next step in the State budget process is that a 2022-23 Budget is expected to be passed by the Legislature by June 15, 2022, prior to the July 1 start of the new fiscal year.

Disclaimer Regarding State Budgets

The execution of State budgets, including proposed budgets, may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2020-21 State Budget or subsequent State Budgets, will have on its own finances and operations. However, the Bonds are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the Owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although they believe the sources of information listed below are reliable, neither the District nor the Underwriters assume any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein.

Availability of State Budgets

The complete adopted State budgets and related information are available from the California Department of Finance website at www.ebudget.ca.gov. Impartial analyses of these documents are published by the LAO and can be accessed at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of internet addresses referenced herein or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

Uncertainty Regarding Future State Budgets

The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures or possible future budget deficits. Future State Budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State Budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Legislation Implementing Article XIIIA*.* Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation*.* As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home’s taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to “recapture” the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the Counties, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the “recapture” provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB (“**Article XIIIB**”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIIIC and XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the "**third test**"). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as **"Proposition 30"**), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax increases of Proposition 30.

California Senate Bill 222

Senate Bill 222 ("**SB 222**") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* property tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (**"Proposition 19"**), which amends Article XIIIA to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property's tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrows as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocates most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District's assessed values.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 1A, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

LOS RIOS COMMUNITY COLLEGE DISTRICT

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2020-21

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Financial Statements
June 30, 2021

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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Trustees
Los Rios Community College District
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit (Los Rios Colleges Foundation), and the aggregate remaining fund information of Los Rios Community College District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of the District as of June 30, 2021, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2 and Note 15 to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the District's Net OPEB Asset and Related Ratios, the Schedule of District Contributions for OPEB, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of District Contributions for Pensions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of 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 1, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

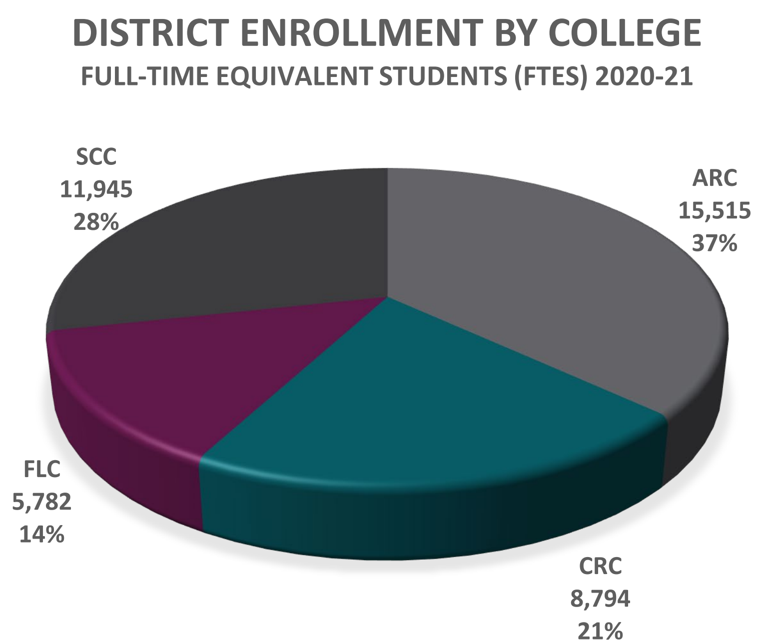
Eide Bailly LLP

San Ramon, California
February 1, 2022
Except as to pages 14,15,16,18, and Note 16, which are dated March 18, 2022

DISTRICT BACKGROUND

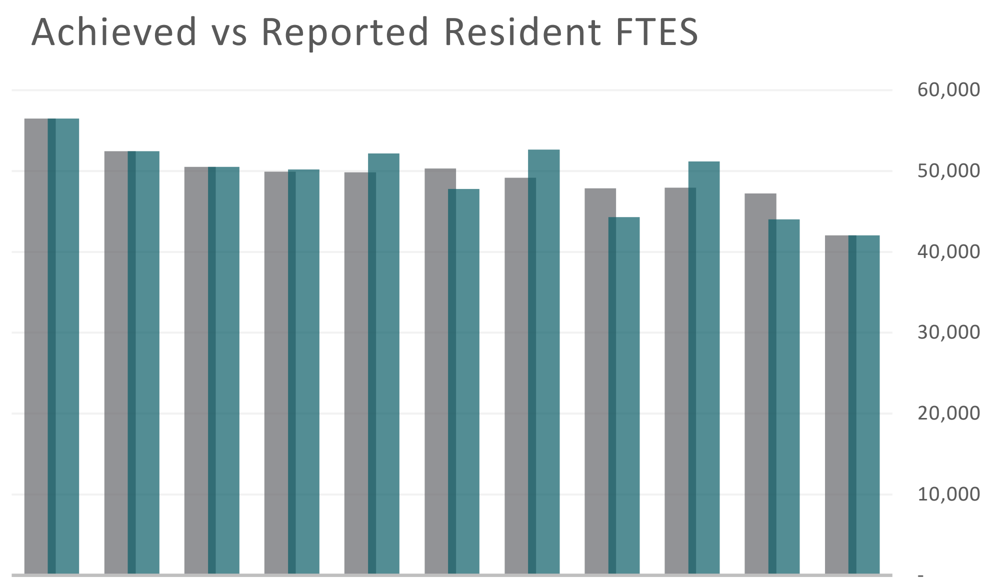
The Los Rios Community College District (the District) was formed in 1965 as a result of the consolidation of ten separate K-12 “feeder” districts. The District initially consisted of two colleges: Sacramento City College (SCC), founded in 1916, and American River College (ARC), founded in 1955. Cosumnes River College (CRC) was established in 1970 to serve the southern portion of the District and in 2004 Folsom Lake College (FLC) achieved college status. The District also includes six education centers in Davis, El Dorado, Elk Grove, Natomas, Rancho Cordova, and West Sacramento.

With over 65,000 students enrolled during our primary terms, the District is the second-largest community college district in California and one of the largest in the nation. The District, covering approximately 2,440 square miles, includes most of Sacramento and El Dorado Counties and parts of Yolo, Placer, and Solano Counties.



ATTENDANCE

The District’s achieved attendance decreased 11% in the current year compared to prior year. The decrease in attendance is attributed to the COVID-19 pandemic. The District's enrollment trends are consistent with most districts in the State.



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Achieved FTES	56,499	52,466	50,499	49,936	49,853	50,311	49,173	47,847	47,955	47,238	42,036
Reported Resident FTES	56,499	52,466	50,499	50,209	52,171	47,779	52,640	44,313	51,170	44,025	42,036

MANAGEMENT DISCUSSION AND ANALYSIS (explained)

The District follows the financial reporting standards established by the Governmental Accounting Standards Board (GASB). Management's Discussion and Analysis (MD&A) provides an overview of the District's financial position and activities. The MD&A, prepared by District management, should be read in conjunction with the financial statements. The purpose of the basic financial statements is to summarize the District's financial status as a whole and to present a long-term view of the District's finances.

The basic financial statements include four components:

1. *Statement of Net Position* presents the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

2. *Statement of Revenues, Expenses, and Changes in Net Position* presents the District's revenues earned, expenses incurred and change in total net position.

3. *Statement of Cash Flows* presents information about the cash activities of the District during the year.

4. *Notes to the Financial Statements* provide additional information crucial for the review of the financial statements.

FINANCIAL HIGHLIGHTS

The Student Centered Funding Formula (SCFF) is the formula used to allocate state general apportionment funding to California's community colleges. SCFF retained the Basic Allocation established under Senate Bill (SB) 361 in the 2006-07 fiscal year, but at a significantly reduced rate. However, SCFF funds districts for outcomes and demographics, providing an incentive to improve students' success, especially students from economically disadvantaged backgrounds. The SCFF allocations for the fiscal year 2020-2021 and their respective weightings consist of:

- Base Allocation (70%) – Similar to the pre-SCFF calculation and primarily driven by enrollment.

- Supplemental Allocation (20%) - Based on the number of low-income students served, as represented by students receiving a Pell or California College Promise Grant (CCPG), or an AB540 California Dream Act Nonresident Tuition Fee Waiver.

- Student Success Allocation (10%) - Based on eight defined student outcomes aligned with the California Community Colleges Vision for Success, with the highest value assigned to Associate Degrees for Transfer awarded to students who also received a Pell Grant and/or a CCPG.

The SCFF includes a hold harmless provision, which ensures districts receive funding at or above their fiscal year 2017-2018. The 2021 Budget Act extended the SCFF's hold harmless provision by one year, through 2024-25. The District's fiscal year 2020-21 SCFF calculation fell under the hold harmless provision, as SCFF calculated funding ($320 million) was less than the calculated funding using the hold harmless provision ($322 million). It is important to take into consideration that SCFF funding is based on the availability of state general apportionment funding. The District reduced SCFF by $2.0 million to account for this projected funding deficit.

The District closed the year with unrestricted general fund reserves of $113 million, or 26% of expenditures, as well as available reserves in its unrestricted capital outlay projects fund. The California Community College Chancellor's Office (CCCCO) recommends a prudent general fund unrestricted reserve of at least 5% of expenditures. Cash balances in the unrestricted general fund and unrestricted capital outlay projects fund is $254 million.

As of June 30, 2021, the voters have approved two bond measures. The voters approved Measure A at $265 million on March 5, 2002 and Measure M at $475 million on November 4, 2008. The District has fully issued Measure A. On June 26, 2019, the District issued the fourth series of Measure M, Series D, for $80 million for a total Measure M issuance of $335 million at June 30, 2020. Subsequent to the fiscal year end, on July 1, 2021, the District issued the fifth series of Measure M, Series E, for $130 million for a total Measure M issuance of $465 million. The District's four colleges, the District Office, and other facilities providing District-wide services have utilized the bond issues to construct new facilities and modernize existing facilities. In total, the two bond measures have funded 91 capital facility projects, with an additional 28 projects currently in progress. As of June 30, 2021, Measure A was fully expended, and nearly all Measure M funds have been expended or committed.

The impact of the COVID-19 pandemic is discussed throughout the MD&A.

FINANCIAL STATEMENTS SUMMARY

Statement of Net Position

The net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by $382 million.

	2021	2020*
ASSETS		
Current assets	$ 541,005,994	$ 514,575,714
Noncurrent assets:		
Net OPEB asset	15,938,541	12,365,239
Capital assets, net	744,610,018	738,541,201
Total Assets	1,301,554,553	1,265,482,154
DEFERRED OUTFLOWS OF RESOURCES	118,409,788	116,381,784
LIABILITIES		
Current liabilities	154,980,957	153,001,433
Long-term obligations	854,493,118	850,216,918
Total Liabilities	1,009,474,075	1,003,218,351
DEFERRED INFLOWS OF RESOURCES	28,332,962	38,030,493
NET POSITION		
Net investment in capital assets	369,928,949	344,581,636
Restricted	59,753,906	60,649,577
Unrestricted	(47,525,551)	(64,616,119)
Total Net Position	$ 382,157,304	$ 340,615,094

* Restated for adoption of GASB 84

A significant factor that contributes to the negative $48 million unrestricted net position is that the District must recognize a liability for the unfunded pension obligation as soon as the obligation occurs. This is in contrast to how governments budget, which focuses on when a liability will be paid. The chart below illustrates the impact of recognizing the net pension liability (NPL) and the related deferred outflows and inflows related to pensions.

	With the Net Pension Liability and Related	Without the Net Pension Liability and Related
NET POSITION		
Net investment in capital assets	$ 369,928,949	$ 369,928,949
Restricted	59,753,906	59,753,906
Unrestricted	(47,525,551)	296,486,684
Total Net Position	$ 382,157,304	$ 726,169,539

The District's $370 million net investment in capital assets (e.g., land, buildings and equipment) is a significant portion of net position. This amount is net of any outstanding debt used to acquire the capital assets. The District uses these assets to provide educational services; consequently, these assets are not available for future spending.

The restricted net position accounts for $60 million of net position. Restricted net position represents resources subject to external restrictions, constitutional provisions, or enabling legislation on their use.

Statement of Revenues, Expenses, and Changes in Net Position

	2021	2020*
OPERATING REVENUES		
Net tuition and fees	$ 23,721,533	$ 26,557,867
Grants and contracts	228,268,270	197,475,059
Auxiliary sales and charges	44,577	15,154,863
Other operating income	6,353,548	5,025,324
Total Operating Revenues	258,387,928	244,023,681
OPERATING EXPENSES		
Salaries	251,827,441	261,278,059
Benefits (including CalPERS, CalSTRS & OPEB)	137,831,983	121,911,708
Supplies, materials, other operating expense and services	43,925,524	82,363,438
Student financial aid	132,816,296	123,449,422
Depreciation	27,540,369	28,952,695
Total Operating Expenses	593,941,613	617,754,959
Loss From Operations	(335,553,685)	(373,731,278)
NONOPERATING REVENUE (EXPENSE)		
State apportionments and EPA, noncapital	202,166,451	206,815,546
Property taxes	153,947,570	150,795,882
Lottery and other revenue	30,600,817	41,925,744
Net investment income less interest expense	(13,237,980)	(7,453,196)
Other nonoperating revenue (expense)	1,345,634	266,390
Total Nonoperating Revenue (Expense)	374,822,492	392,350,366
OTHER REVENUE (EXPPENSE)		
State and local capital income	2,740,404	3,366,407
Discontinued bookstore operations	(467,002)	
Total other revenue (expense)	2,273,402	3,366,407
Net Increase in Net Position	$ 41,542,209	$ 21,985,495

* Restated for adoption of GASB 84

The decrease in *Net tuition and fees* is due to a decrease in enrollment as a result of the COVID-19 pandemic.

Grants and contracts, included in operating revenue, increased primarily due to an additional $40.6 million in CARES ACT Higher Education Emergency Relief Funds (HEERF) expenditures compared to the prior year.

Auxiliary sales and charges in the prior year included bookstore revenue of $10.1 million and $5 million from the Harris Center for the Performing Arts (Harris Center). Effective June 1, 2020, the District contracted with an outside vendor, Follett Higher Education Group, Inc., to operate the District's physical and online bookstores for all four colleges. As a result of the COVID-19 crisis, the Harris Center temporarily ceased operations in March 2020. These events are the primary cause of the decrease in auxiliary sales and charges.

At the adoption of the 2020-21 District budget, experts around the state anticipated catastrophic budget reductions due to uncertainty about the future of the economy. The effects of COVID-19 on enrollment and anticipated negative economic impacts contributed to the approximately $14.9 million reduction in non-permanent employee *salaries* in the current year. At the start of the COVID-19 pandemic through most of 2020-21, the District froze all hiring with some limited exceptions in anticipation of the looming budget issues, which contributed to a reduction in permanent employee *salaries* of approximately $7.4 million. As fiscal year 2020-21 progressed, state revenues came in significantly higher than projected and the anticipated catastrophic budget reductions were no longer a threat to the District's immediate future. The improved economic outlook allowed the District to remove the hiring freeze and employ additional non-permanent employees. In addition, the District was able to secure one-time only resources to retroactively improve the 2020-21 salary schedules, which contributed to an $8 million increase to *salaries*.

The State's on-behalf contributions to employee pension plans are included in *lottery and other revenue* and *benefits* expense. Accounting standards require equal and opposite reporting via revenue and expense for the on-behalf contributions from the State; therefore, there is no impact to the bottom line (net position) resulting from these transactions. Pension and OPEB expense, included in *benefits* expense, increased by $16.4 million and decreased by $2.3 million, respectively, due to recording the related liability changes, deferred outflows, and inflows over and above the prior year.

Supplies, materials, other operating expense and services decreased by $38.4 million primarily due the reduced costs of mostly operating in a remote environment, the ceased operations of the Harris Center and the outsourcing of the Bookstore operations.

Student financial aid, included in operating expenses, increased due a higher number of students applying for and qualifying for financial aid.

State apportionments and EPA, noncapital decreased due to the increase in the assessed values of property taxes discussed below.

Property taxes increased by $3.2 million. An increase of $5.5 million was due to improved assessed property values within the counties the District serves, which is offset by $2.3 million decrease in assessments to cover decreasing general obligation bonds debt service payments.

Lottery and other revenue decreased primarily due to a reduction in other revenue of $7.2 million as a result of discontinued administration of the set-aside grants and a $4.9 million reduction in lottery proceeds.

Discontinued bookstore operations of $467 thousand represents the net loss of dissolving the bookstore fund as a result of outsourcing the bookstore operations.

Capital Assets

Capital asset activity for the District for the fiscal year ended June 30, 2021, was as follows:

	Beginning of Year	Additions	Deletions	End of Year
Land, construction in progress & collectibles	$ 113,957,118	$ 25,702,957	$ (176,618)	$ 139,483,457
Site improvements	73,854,424	488,793	-	74,343,217
Buildings and improvements	796,440,158	2,196,716	(2,079,992)	796,556,882
Equipment	192,037,741	4,616,212	(1,132,439)	195,521,514
Library books	5,788,662	781,126	(495,320)	6,074,468
Subtotal	1,182,078,103	33,785,804	(3,884,369)	1,211,979,538
Accumulated depreciation	(443,536,902)	(27,540,369)	3,707,751	(467,369,520)
TOTAL	$ 738,541,201	$ 6,245,435	$ (176,618)	$ 744,610,018

Land, construction in progress and collectibles additions were $25.7 million. The additions are primarily from the following construction projects: modernization of the ARC liberal arts building, modernization of SCC Mohr Hall, district-wide security improvements, Science 2.1 building at FLC, CRC auto tech modernization and expansion, ARC tech education modernization, Natomas Center phase 2 & 3, and the CRC College Center expansion.

Buildings and improvements additions consist primarily of completed construction projects reclassified to buildings.

Equipment additions of $4.6 million primarily consists of the replacement costs of outdated equipment and equipment purchased to convert to remote operations as a result of COVID-19 pandemic.

Buildings and improvements, equipment and accumulated depreciation deletions primarily consists of capital assets disposed of as a result of the discontinued bookstore operations.

Long-Term Debt

The changes in the District's long-term debt during the fiscal year ended June 30, 2021 consisted of the following:

	Beginning of Year	Additions	Deletions	End of Year
General obligation bonds	$ 486,120,296	$ -	$ (43,801,606)	$ 442,318,690

General obligation bond activity consisted of regular principal payments and amortization of bond issuance premiums.

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

In 2020-21, there was a dramatic decline in economic activity in the second quarter, followed by an uneven recovery for the remainder of the year. For 2021-22, the economy, buoyed by multiple rounds of federal stimulus, an accommodative monetary policy, a massive vaccination program and the consequent reopening of the economy, appears poised for rapid expansion through the remainder of the fiscal year and continued growth in 2022-23 and beyond. This improvement in the projected path of economic activity has led to a significant improvement in the revenue forecast. In addition to the improved economic picture, hopeful stock market strength, and wage withholding has continued to outpace even the upgraded wage growth forecast; both factors optimistically will lead to higher revenue projections. The 2021 Budget Act reflected a correction to the overestimated deficit from the prior year (2020-21) and substantial recovery to the state's finances following the pandemic-induced recession.

Each year, the state calculates a "minimum guarantee" for school and community college funding based on a set of formulas established in Proposition 98 and related statutes. The minimum guarantee for 2021-22 is only marginally higher than the minimum guarantee for 2020-21, but the revised guarantee for 2020-21 was 17% higher than in 2019-20. The increase is largely due to substantially higher state General Fund revenues for 2020-21 than had been expected at the start of the pandemic. If revenues for 2021-22 continue to come in higher than expected, the increase to the minimum guarantee in 2021-22 would be greater. The enacted budget relied on the Department of Finance (DOF) revenue estimates, which were somewhat lower than estimates made by the Legislative Analyst's Office (LAO). If revenues continue to outperform expectations, Proposition 98 funding requirements for 2021-22 could increase, and would be reflected in later budget measures.

The 2021 Budget Act includes $765 million in ongoing policy adjustments compared with revised 2020-21 expenditure levels. Most notably, the proposal includes a COLA of 5.07% for the Student Centered Funding Formula (SCFF), matching the COLA provided for the K12 Local Control Funding Formula. As described in the May Revise, the COLA is intended to cover the unfunded statutory COLA from 2020-21 of 2.31% plus the statutory COLA from 2021-22 of 1.70% along with an additional approximately 1% increase that was provided to K-12. It also includes a 1.7% COLA for certain categorical programs, provides substantial one-time funding to address deferred maintenance, and increases both ongoing and one-time funding for a variety of student support needs.

While the economy is much better than expected, enrollment at our District and throughout California is down significantly. Community College funding is predominately based on enrollment. If enrollment does not rebound by the time the state's "hold harmless" ends in fiscal year 2025, the District's funding will be significantly impacted.

The District has long practiced a prudent budgeting approach, which leaves the District relatively well-positioned to manage the economic uncertainty. The District has begun reducing budgets and managing cash flow to lessen the impacts of a potential economic downturn.

Challenging decisions continue to lie ahead for the District, but the District is committed to doing everything possible to protect full-time employees and minimize the impact on part-time employees, and to working closely with our labor partners to follow agreed upon contracts and ensure the District is working collaboratively to get through this crisis. Above it all, the District continues to put students – particularly those in need – at the center of budget discussions. More than ever before, the budget dynamics are constantly evolving in the State and around the nation

The District continues to plan thoughtfully for the many challenges ahead and looks forward to the opportunity to expand and enhance access and success for the students, while improving the District's financial position by systematically addressing pension and other liabilities and making investments in human, physical, and technology resources. Through the support of the Board members, staff, students, and community at large, the District, with its enviable reputation and unique place in the community, remains committed to academic excellence and fiscal stability.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, 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 Los Rios Community College District, 1919 Spanos Court, Sacramento, CA 95825.

Assets	
Current Assets	
Cash and cash equivalents	$ 319,627,341
Restricted cash and cash equivalents	127,509,574
Accounts receivable, net	88,784,864
Prepaid expenses and other assets	5,084,215
Total current assets	541,005,994
Noncurrent Assets	
Net OPEB asset	15,938,541
Nondepreciable capital assets	139,483,457
Depreciable capital assets, net of depreciation	605,126,561
Total noncurrent assets	760,548,559
Total assets	1,301,554,553
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	104,013,830
Deferred charge on refunding	7,579,905
Deferred outflows of resources related to OPEB	6,816,053
Total deferred outflows of resources	118,409,788
Liabilities	
Current Liabilities	
Accounts payable	8,853,247
Payroll and related liabilities	34,742,616
Interest payable	8,710,849
Unearned revenue	52,628,570
Compensated absences payable - current portion	5,497,716
Bonds payable and premium liability - current portion	44,547,959
Total current liabilities	154,980,957

Noncurrent Liabilities	
Compensated absences payable - noncurrent portion	18,784,320
Bonds payable and premium liability - noncurrent portion	397,770,731
Aggregate net pension obligation	427,186,018
Claims liability	10,752,049
Total noncurrent liabilities	854,493,118
Total liabilities	1,009,474,075
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	20,840,047
Deferred inflows of resources related to OPEB	7,492,915
Total deferred inflows of resources	28,332,962
Net Position	
Net investment in capital assets	369,928,949
Restricted for:	
Debt service	43,627,489
Other activities	16,126,417
Unrestricted deficit	(47,525,551)
Total net position	$ 382,157,304

Operating Revenues	
Student Tuition and Fees	59,939,956
Less: Scholarship discount and allowance	(36,218,423)
Net tuition and fees	23,721,533
Grants and Contracts, Noncapital	
Federal	149,558,959
State	78,099,554
Local	609,757
Net grants and contracts, noncapital	228,268,270
Auxiliary Enterprise Sales and Charges	
Bookstore	44,577
Other operating revenues	6,371,623
Total operating revenues	258,406,003
Operating Expenses	
Salaries	251,827,441
Employee benefits	137,831,983
Supplies, materials, and other operating expenses and services	43,943,599
Student financial aid	132,816,296
Depreciation	27,540,369
Total operating expenses	593,959,688
Operating loss	(335,553,685)
Nonoperating Revenues (Expenses)	
State apportionments and education protection act, noncapital	202,166,451
Local property taxes, levied for general purposes	102,063,348
Taxes levied for other specific purposes - Debt service	51,884,222
Lottery, state taxes and other revenues	30,600,817
Investment income	2,414,018
Interest expense and service charges on capital related debt	(15,651,998)
Other nonoperating revenue - gifts	1,345,634
Total nonoperating revenues (expenses)	374,822,492
Income before other revenues and expenses	39,268,807
Other Revenues and Expenses	
State revenues, capital	2,740,404
Discontinued bookstore operations	(467,002)
Total other revenues and expenses	2,273,402
Change in Net Position	41,542,209
Net position, beginning of year, restated	340,615,095
Net position, end of year	$ 382,157,304

Cash Flows from Operating Activities	
Tuition and fees	$ 17,683,943
Federal, state and local grants and contracts	233,872,668
Payments to vendors for supplies and services	(51,917,357)
Payments to or on behalf of employees	(342,713,823)
Payments to students for scholarships and grants	(132,814,871)
Auxiliary enterprise sales and charges	7,399,538
Net cash flows used by operating activities	(268,489,902)
Cash Flows from Noncapital Financing Activities	
State apportionments	152,785,101
Property taxes - noncapital related	102,063,348
Other nonoperating (lottery and other)	28,709,977
Net cash flows provided by noncapital financing activities	283,558,426
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(33,962,422)
State revenue, capital projects	2,740,404
Property taxes - related to capital debt	54,624,626
Principal paid on capital debt	(40,755,000)
Interest paid on capital debt	(18,151,091)
Net cash flows used by capital financing activities	(35,503,483)
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	19,964,092
Interest received from investments	4,529,721
Net cash flows provided by investing activities	24,493,813
Net Change in Cash and Cash Equivalents	4,058,854
Cash and Cash Equivalents, Beginning of Year, Restated	443,078,061
Cash and Cash Equivalents, End of Year	$ 447,136,915

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	$ (335,553,685)
Adjustments to Reconcile Operating Loss to Net Cash Flows Used by Operating Activities	
Depreciation expense	27,540,369
Changes in Assets and Liabilities	
Discontinued operations	(467,002)
Receivables	(1,752,742)
Inventories	2,069,405
Prepaid expenses	(157,468)
Accounts payable and accrued liabilities	16,299,829
Unearned revenue	(6,740,193)
Change in other post employment benefits	(3,573,302)
Compensated absences	1,359,031
Change in deferred outflows	(3,653,841)
Change in deferred inflows	(9,778,436)
Pension obligation	46,583,942
Claims liabilities	(665,809)
Total adjustments	67,063,783
Net cash flows used by operating activities	$ (268,489,902)
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	$ 7,954,434
Cash in state cash pool - LAIF	7,501,733
Cash in county treasury	431,680,748
Total cash and cash equivalents	$ 447,136,915
Noncash Transactions	
Amortization of premium on capital related debt	$ 3,046,606
Amortization of deferred charge on refunding	$ (1,324,500)

	Retiree Health Benefits Trust	Agency Funds
Assets		
Cash and cash equivalents	$ 1,015,116	$ 665,744
Investments	160,607,862	-
Accounts receivable, net	-	3,427
Due from primary government	688,640	-
Total assets	162,311,618	$ 669,171
Liabilities		
Accounts payable	59,200	569
Due to primary government	-	1,000
Due to others	-	667,602
Total liabilities	59,200	$ 669,171
Net Position		
Restricted for postemployment benefits other than pensions	162,252,418	
Total net position	$ 162,252,418	

	Retiree Health Benefits Trust
Additions	
Employer contributions	$ 3,888,640
Investment income:	
Net increase in fair value of investments	9,459,338
Interest and dividends	9,159,473
Less investment expense	(230,355)
	18,388,456
Total additions	22,277,096
Deductions	
Benefit payments	3,526,109
Change in Net Position	18,750,987
Net Position - Beginning	143,501,431
Net Position - Ending	$ 162,252,418

Assets	
Current Assets	
Cash and cash equivalents	$ 2,141,959
Accounts receivable	1,008
Promises to give, current portion	404,472
Total current assets	2,547,439
Noncurrent Assets	
Investments	16,547,730
Beneficial interest in assets	224,098
Long-term promises to give	209,000
Total noncurrent assets	16,980,828
Total Assets	$ 19,528,267
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 7,478
Net Assets	
Without donor restrictions	2,405,697
With donor restrictions	17,115,092
Total net assets	19,520,789
Total liabilities and net assets	$ 19,528,267

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	$ 197,075	$ 2,308,058	$ 2,505,133
Investment earnings	6,860	-	6,860
In-kind contributions	61,440	-	61,440
Assets released from restrictions	2,208,884	(2,208,884)	-
Total revenues	2,474,259	99,174	2,573,433
Expenses			
Scholarships	687,980	-	687,980
College support	1,503,910	-	1,503,910
Grants and sponsorships	9,717	-	9,717
Administrative	149,367	-	149,367
Fundraising	44,760	-	44,760
Total expenses	2,395,734	-	2,395,734
Other Revenues (Expenses)			
Interest and dividends	64,113	178,400	242,513
Realized loss on sale of investment	49,482	201,069	250,551
Unrealized gains (losses)	121,803	1,923,555	2,045,358
Intrafund transfers	(8,251)	8,251	-
	227,147	2,311,275	2,538,422
Change in Net Assets	305,672	2,410,449	2,716,121
Net Assets, Beginning of Year	2,100,025	14,704,643	16,804,668
Net Assets, End of Year	$ 2,405,697	$ 17,115,092	$ 19,520,789

Cash Flows from Operating Activities	
Proceeds from:	
Contributions for scholarships	$ 1,983,633
Pledge campaign	563,614
Annual fund	98,819
Other receipts	221,258
Interest on investments	4,495
Payments for:	
Scholarships awarded	(693,995)
Payments to suppliers	(1,560,057)
Payments for services	(41,917)
Payments for travel, conferences & meetings	(9,630)
Other operating costs	(647,177)
Net cash flows used by operating activities	(80,957)
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	5,328,104
Interest and dividends on investments	327,403
Investment expenses	(89,384)
Purchases of investments	(5,255,291)
Net cash flows provided by investing activities	310,832
Net Change in Cash and Cash Equivalents	229,875
Cash and Cash Equivalents, Beginning of Year	1,912,084
Cash and Cash Equivalents, End of Year	$ 2,141,959
Changes in net assets	$ 2,716,121
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
(Gain) loss on sale of investments	(250,551)
Unrealized (gain) loss on investments	(2,045,358)
Interest and dividends on investments	(238,017)
Changes in:	
Accounts receivable	355,332
Prepaid expense	15,583
Accounts payable	(634,067)
Net Cash Used by Operating Activites	$ (80,957)
Supplemental Disclosure of Noncash Amounts	
In-kind donations	$ 61,440

Note 1 - Organization

Los Rios Community College District (the District) was established on July 1, 1964 and commenced operations on July 1, 1965 as a political subdivision of the State and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected seven-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, and capital project funds, but these budgets are managed at the department level. Currently, the District operates four colleges and six campuses located throughout the areas served in the counties of El Dorado, Placer, Sacramento, Solano, and Yolo. While the District is a political subdivision of the State, 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 the Governmental Accounting Standards Board (GASB). 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

GASB provides additional guidance 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 financial reporting entity consists of the District as the primary government, and the Los Rios Colleges Foundation (the Foundation) as a component unit.

The Foundation is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization under Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statements.

Complete financial statements for the Foundation can be obtained from the Foundation's Business Office at 1919 Spanos Court, Sacramento, CA 95825.

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 Statements. 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. 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.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.

Revenues resulting from nonexchange transactions, in which the District receives value without directly giving equal value in return are classified as nonoperating revenues. Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined by GASB. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set by 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.

Operating expenses include employee salaries and benefits, supplies, operating expenses, and student financial aid. All other expenses not meeting this definition are reported as nonoperating, and include interest expense and other expenses not directly related to the services of the District. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
    - Statement of Net Position - Primary Government
    - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
    - Statement of Cash Flows - Primary Government
    - Financial Statements for the Fiduciary Funds including:
        - Statement of Fiduciary Net Position
        - Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with the Sacramento County Treasury (County) for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Restricted Investments

Investments held at June 30, 2021 are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. 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 $741,597 for the year ended June 30, 2021.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30, 2021.

Capital Assets and Depreciation

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

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years, portables 15 years, land improvements 10 years, equipment 8 years, library books 5 years, and technology equipment 3 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, 2021.

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 or expenditure until then. The District reports deferred outflows of resources related to debt funding, OPEB related items, and pension related items.

The deferred outflows of resources related to debt refunding results from the differences in the carrying value and reacquisition price of the refunded debt and is amortized using the straight-line method over the remaining life of the new debt.

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 pension and OPEB related items.

Pensions

For purposes of measuring the net pension liability and 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 (the 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Los Rios College Retiree Health Benefit Trust (OPEB Trust) and additions to/deductions from the OPEB Trust's fiduciary net position have been determined on the same basis as they are reported in the OPEB trust financial statements. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Member contributions are recognized in the period in which they are earned. 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.

Compensated Absences

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

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

Unearned Revenue

Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net position categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through 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 resources are available. None of the District's restricted net position has resulted from enabling legislation adopted by the District.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed.

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 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 Counties of El Dorado, Placer, Sacramento, Solano, and Yolo bill and collect the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds in 2002 and 2008 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District under the Teeter Plan.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, 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.

Federal 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. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Foundation Financial Statement Presentation

The Los Rios Colleges Foundation presents its financial statements in accordance with Statement of Financial Accounting Codifications. Under these reporting requirements, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. As permitted by the codification, the Foundation does not use fund accounting.

With Donor Restrictions: Net assets subject to donor-imposed stipulations. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes or the net assets are subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time.

Without Donor Restrictions: Net assets not subject to donor-imposed restrictions.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are recorded at their fair market value on the date of the donation.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates, and those differences could be material.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was implemented as of July 1, 2020.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Future Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021.

Note 3 - Deposits and Investments

Policies and Practices

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

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

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

Investment in the Debt Securities – The District has proceeds from general obligation bonds which are temporarily invested by the County of Sacramento, non-pooled investment portfolio, until needed for assigned capital expenditures. The investment policy for GO bonds is set forth in the bond indenture, which are limited to those authorized by California Government Code Section 53061 et seq. The County's own investment policies may impose additional limitations beyond those required by Government Code.

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, consist of the following:

	Primary Government	Fiduciary Funds	Foundation
Cash and cash equivalents	$ 319,627,341	$ 1,680,860	$ 2,141,959
Restricted investments	-	160,607,862	16,547,730
Restricted cash and cash equivalents	127,509,574	-	-
Total deposits and investments	$ 447,136,915	$ 162,288,722	$ 18,689,689
Cash on hand and in banks	$ 2,927,647	$ 279,293	$ 2,141,959
Cash in revolving	117,500	7,659	-
Cash awaiting deposit	4,909,287	-	-
Money market funds	-	1,015,116	-
Investments - County Treasury Pool	431,680,748	-	-
Investments - LAIF	7,501,733	378,792	-
Investments - other	-	160,607,862	16,547,730
Total deposits and investments	$ 447,136,915	$ 162,288,722	$ 18,689,689

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County treasury pool and LAIF and other investments.

Segmented Time Distribution

Information about the sensitivity of the fair values of the investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the investments by maturity:

Investment Type	Fair Value	Maturity in Years 1-5	Maturity in Years >5
Debt securities and other investments	$ 177,155,592	$ 177,155,592	$ -

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Fair Value	Rating as of Year End AAA	Rating as of Year End Aa	Rating as of Year End Unrated
Miscellaneous:				
Mutual funds and other securities	$ 177,155,592	$ -	$ -	$ 177,155,592

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. At June 30, 2021, there are no investments in one issuer that represent five percent or more of the total investments.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. 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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2021, District bank balances of approximately $16,000,000 were exposed to custodial credit risk because they were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

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.

Debt securities and other investments are classified as level 2 because they are valued using a matrix pricing model.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2021 for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources as follows:

Federal Government	
Categorical aid	$ 24,022,987
State Government	
Apportionment	24,957,634
Categorical aid	20,246,871
Lottery	1,158,484
Local Sources	
Interest	1,143,214
Other local sources	17,997,271
Less allowance for uncollectible amounts	(741,597)
Total	$ 88,784,864

The District calculates the allowance for uncollectible amounts based on 20% of student receivables.

Discretely Presented Component Unit

The Foundation's accounts receivable and promises to give consist primarily of short-term promises to donate by donors. In the opinion of management, all amounts have been deemed to be fully collectable.

Note 6 - Prepaid Expenses

Prepaid expenses at June 30, 2021 consisted of the following:

Education	$ 369,400
Employee benefits	3,679,958
Insurance	88,152
Marketing and Advertising	459,917
Technology	275,893
Other	210,895
Total	$ 5,084,215

Note 7 - Capital Assets

Capital asset activity for the District for the fiscal year ended June 30, 2021, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 6,870,382	$ -	$ -	$ 6,870,382
Construction in progress	105,389,336	25,702,957	(176,618)	130,915,675
Collectibles	1,697,400	-	-	1,697,400
Total capital assets not being depreciated	113,957,118	25,702,957	(176,618)	139,483,457
Capital Assets Being Depreciated				
Site improvements	73,854,424	488,793	-	74,343,217
Buildings and improvements	796,440,158	2,196,716	(2,079,992)	796,556,882
Equipment	192,037,741	4,616,212	(1,132,439)	195,521,514
Library books	5,788,662	781,126	(495,320)	6,074,468
Total capital assets being depreciated	1,068,120,985	8,082,847	(3,707,751)	1,072,496,081
Total capital assets	1,182,078,103	33,785,804	(3,884,369)	1,211,979,538
Less Accumulated Depreciation				
Site improvements	(60,901,236)	(2,717,654)	-	(63,618,890)
Buildings and improvements	(218,477,134)	(14,637,541)	2,079,992	(231,034,683)
Equipment	(159,781,214)	(9,581,648)	1,132,439	(168,230,423)
Library books	(4,377,318)	(603,526)	495,320	(4,485,524)
Total accumulated depreciation	(443,536,902)	(27,540,369)	3,707,751	(467,369,520)
Total net capital assets	$ 738,541,201	$ 6,245,435	$ (176,618)	$ 744,610,018

Depreciation expense for the year was $27,540,369.

Note 8 - Long-Term Liabilities Other than OPEB and Pension

Summary

The changes in the District's long-term liabilities other than OPEB and Pension during the 2021 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds Payable					
General obligation bonds	$ 455,960,000	$ -	$ 40,755,000	$ 415,205,000	$ 41,875,000
Bond issuance premiums	30,160,296	-	3,046,606	27,113,690	2,672,959
Total bonds	$ 486,120,296	$ -	$ 43,801,606	$ 442,318,690	$ 44,547,959

Description of Debt

General obligation bonds were approved by local elections in 2002 and 2008. The total amount approved by the voters was $740,000,000. At June 30, 2021, $600,000,000 had been issued and $415,205,000 was outstanding. Interest rates on the bonds range from 1.32 to 5.375 percent.

Payments of the general obligation bonds are made by the bond interest and redemption fund.

The outstanding general obligation bond debt is as follows:

Description	Issue Date	Maturity Date	Interest Rate	Original Issue	Refunding Issuance	Balance Beginning of Year	Issued	Payments	Balance End of Year
Measure A Bonds									
2002 Series E	6/27/2013	8/1/2038	2.00-5.00%	$ 20,000,000	$ -	$ 16,600,000	$ -	$ 625,000	$ 15,975,000
2002 Series F	1/25/2018	8/1/2023	2.00-4.00%	27,500,000	-	24,760,000	-	2,790,000	21,970,000
2010 Refunding	10/7/2010	8/1/2027	2.00-5.00%	-	21,025,000	1,235,000	-	1,235,000	-
2011 Refunding	10/20/2011	8/1/2027	2.00-5.00%	-	40,195,000	24,475,000	-	2,910,000	21,565,000
2012 Refunding	10/20/2011	8/1/2030	2.00-5.25%	-	62,920,000	47,005,000	-	2,910,000	44,095,000
2016 Refunding	4/21/2016	8/1/2026	2.00-5.00%	-	39,315,000	27,940,000	-	2,735,000	25,205,000
2020 Refunding	6/11/2020	8/1/2027	1.32%	-	10,945,000	10,945,000	-	225,000	10,720,000
Total Measure A				102,500,000	174,400,000	152,960,000	-	13,430,000	139,530,000
Measure M Bonds									
2008 Series A	10/19/2010	8/1/2035	2.00-5.00%	130,000,000	-	2,395,000	-	2,395,000	-
2008 Series B	6/27/2013	8/1/2038	2.00-5.00%	60,000,000	-	53,800,000	-	1,300,000	52,500,000
2008 Series C	1/25/2018	8/1/2032	2.00-4.00%	65,000,000	-	62,735,000	-	2,595,000	60,140,000
2008 Series D	6/26/2019	8/1/2044	4.00-5.00%	80,000,000	-	80,000,000	-	21,035,000	58,965,000
2017 Refunding	11/30/2017	8/1/2035	2.00-5.00%	-	106,850,000	104,070,000	-	-	104,070,000
Total Measure M				335,000,000	106,850,000	303,000,000	-	27,325,000	275,675,000
Total Bond Measures				$437,500,000	$281,250,000	$455,960,000	$ -	$ 40,755,000	$ 415,205,000

Debt Maturity

General Obligation Bonds

The bonds mature through 2045 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2022	$ 41,875,000	$ 16,540,880	$ 58,415,880
2023	24,025,000	15,215,089	39,240,089
2024	26,320,000	14,184,348	40,504,348
2025	23,050,000	13,139,268	36,189,268
2026	26,040,000	12,038,486	38,078,486
2027-2031	123,560,000	42,556,908	166,116,908
2032-2036	99,925,000	18,727,913	118,652,913
2037-2041	29,750,000	5,531,625	35,281,625
2042-2045	20,660,000	1,290,300	21,950,300
Total	$ 415,205,000	$ 139,224,817	$ 554,429,817

Lease and Joint Use Agreement

In November 2008, The District executed Construction Site and Facilities Lease agreements with McCuen Project Services, Inc. to construct a parking facility at Cosumnes River College. In conjunction with this project, on November 4, 2011, the District executed a Lease and Joint Use Agreement with the Sacramento Regional transit District (RT) to lease the multi-level parking structure to RT. The District and RT have agreed to make joint use of the parking structure and adjacent surface parking. RT's payments are the cost of construction. The term of the lease, which commenced in September 2015, is for 51 years with the option to extend for two consecutive 5-year terms. The parking structure was completed and opened in June 2013.

Note 9 - Other Post Employment Benefits (OPEB) Liability

OPEB Plan Administration

The District administers the Los Rios Community College District Retiree Health Benefit Plan (OPEB Plan), a single-employer defined benefit healthcare plan. The Board established the Los Rios Community College District Retiree Health Benefits Trust (OPEB Trust). The Board appointed the members of the Los Rios Community College District Retiree Health Benefits Trust Oversight Committee (Committee) to manage, direct and control the OPEB Trust. The Committee members consist of the Vice Chancellor of Finance and Administration, Director, Accounting Services, the Confidential Senior Financial Analyst and two members of the District's Insurance Review Committee. The Board appointed Wells Fargo Bank, N.A. to serve as the trustee and investment manager of the OPEB Trust. The OPEB Trust is used for the purposes of investment and disbursement of funds irrevocably designated by the District to fund future other post-employment benefits (OPEB).

OPEB Trust Financial Report

Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued OPEB Trust financial report, which may be obtained from the District.

OPEB Plan Membership

As of the valuation date, June 30, 2019, the OPEB Plan membership consisted of the following:

Participating active members	2,303
Retired employees receiving benefits	987
Retired employees entitled to but not receiving benefits	99
	3,389

Contributions

The District provides contributions on a pay-as-you-go basis and contributes to the OPEB Trust. The contribution requirements of the District are established and may be amended by the Board and by contractual agreement with employee groups. The District's OPEB Plan members are not required to contribute to the OPEB Plan. During the year ended June 30, 2021, the District contributed $3,888,640 to the OPEB Trust, of which $3,526,109 was used for current benefit payments.

Benefits Provided

The District's benefits provided to retirees are based on Government Code sections collectively known as Public Employees' Medical & Hospital Care Act (PHMHCA), which vary among different collective bargaining agreements. The following is a description of the current OPEB Plan benefits.

	LRCEA	LRSA	LRCFT	SEIU	Management and Confidential
Benefit types provided	Medical only	Medical only	Medical only	Medical only	Medical only
Duration of benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Required years of service					
Prior to 2/1/89	3				
Prior to 6/30/84					3
Prior to 6/30/90		10	10	7	
7/1/84-6/30/90					7
2/1/89-6/30/90	7				
7/1/90-8/31/93	12				
7/1/90-12/31/12					10
7/1/90-current		15	15	15	
9/1/93-current	15				
1/1/13-current					15
Minimum age	55	55	55	55	55
Current District monthly contribution	$280	$280	$280	$280	$306

Actuarial Assumptions

To develop the total OPEB liability, the actuary performed an actuarial valuation as of June 1, 2019. The total OPEB liability was determined by an actuarial valuation using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Funding method	Entry-age normal cost, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	5.00%
General inflation rate	2.75%
Salary increases[1]	3.25%
Long-term return on assets [2]	5.00%
Mortality	CalPERS 2017 Study, CalSTRS 2016 Study
Mortality Improvement	MacLeod Watts Scale 2018 applied generationally, from 2015 for CalPERS members and from 2016 for Cal STRS members
Health care cost trend rates [3]	5-7%

[1] Since benefits do not depend on salary, this is used only to allocate the costs of benefits between service years.
[2] Net of Plan investment expense; includes inflation.
[3] Assumed to start at 7% and grade down to 5% for years 2024 and thereafter.

The long-term expected rate of return on the 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 the OPEB Plan 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 weighing the expected future real rates of return by the target asset allocation percentage and added 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, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equities	9.24%
Fixed Income	2.88%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.00%. The projection of cash flows used to determine the discount rate assumed that the District continues to make regular, sufficient contributions to the OPEB Trust in order to prefund the total OPEB liability. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current OPEB Plan members. 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 Asset

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (asset) (a)-(b)
Service cost	$ 4,280,025	$ -	$ 4,280,025
Interest	6,158,278	-	6,158,278
Net investment income	-	9,957,190	(9,957,190)
Contributions - employer	-	4,054,415	(4,054,415)
Benefit payments	(3,521,891)	(3,521,891)	-
Change in OPEB asset	6,916,412	10,489,714	(3,573,302)
Net OPEB asset, July 1, 2020	120,646,478	133,011,717	(12,365,239)
Net OPEB asset, June 30, 2021	$ 127,562,890	$ 143,501,431	$ (15,938,541)

Sensitivity of the District's Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	1% Decrease 4.0%	Current Discount Rate 5.0%	1% Increase 6.0%
Net OPEB liability (asset)	$ 4,715,171	$ (15,938,541)	$ (32,667,962)

Sensitivity of the District's Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (7% decreasing to 4%)	Current Healthcare Cost Trend Rates (8% decreasing to 5%)	1% Increase (9% decreasing to 6%)
Net OPEB liability (asset)	$ (34,827,115)	$ (15,938,541)	$ 8,065,910

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $2,250,349. The District reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Net difference between projected and actual earnings on OPEB Plan investments		$ 4,273,677
Differences between expected and actual experience	$ 2,927,413	
Change of assumptions		3,219,238
OPEB contributions subsequent to the measurement date	3,888,640	
Total	$ 6,816,053	$ 7,492,915

The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset in the subsequent fiscal year. The deferred outflows/(inflows) of resources related the net differences between projected and actual earnings on OPEB Plan investments will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2022	$ (1,312,375)
2023	(996,803)
2024	(1,161,149)
2025	(553,982)
2026	(414,811)
Thereafter	(126,382)

Note 10 - Lease Revenue Bonds

The District and the State have entered into financing arrangements under which the State provides funds for the construction of certain facilities. The funds are proceeds from lease revenue bonds issued by the State of California, Public Works Board (the Board). The bonds are a special obligation of the Board payable from State General Fund revenues appropriated to the California Community Colleges Board of Governors who therein made adequate provision in the annual budget of the State for the services of such bonds. However, in the unlikely event that the State is unable to pay the semi-annual installment payment, the District would be responsible for the payments attributable to the District's facilities. No amounts had been accrued for any contingent payments at June 30, 2021.

These facilities are included in the District's capital assets on the Statement of Net Position. The Board leases the facilities contributed with these bonds to the District. Upon full repayment of the associated bonds, title to the facilities conveys to the District. The following facilities that were constructed under the provisions described above and have minimum annual payments remaining at June 30, 2021 were as follows:

Facility	Lease Term	Proceeds From State	Funding Year	Minimum Annual Payments
Folsom Lake College Instructional Facilities IB	2005-2030	$36,841,000	2001-02	$809,709 to $2,499,000

Note 11 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability

The District is self-insured for liability and property damage on the first $250,000 and $100,000 of each claim, respectively. The District is self-insured for workers' compensation claims on the first $500,000 of each claim.

Coverage in excess of self-insurance limits for property damage and liability up to $250,250,000 and $55,000,000, respectively, are provided by pooled insurance as member(s) of a joint powers authority of California community colleges. Coverage in excess of self-insurance limits for workers' compensation is purchased through an insurance broker.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2021, the District participated in the Schools Excess Liability Fund (SELF). SELF is a joint powers authority (JPA) created to provide services and other items necessary and appropriate for the establishment, operation, and maintenance of a self-funded excess liability fund for public education agencies, which are parties thereto. Should excess liability claims exceed amounts funded to SELF by all participants, the District may be required to provide additional funding.

The District is also a participant in the Statewide Association of Community Colleges (SWACC). SWACC is a JPA established for the purpose of providing the services, facilities, and items necessary and appropriate for the establishment, operation, and maintenance of a self-insurance system for property and liability claims and losses against public educational agencies who are members thereto. Should property claims exceed amounts funded by SWACC by all participants, the District may be required to provide additional funding. Should liability claims exceed established SWACC limits, the District has excess coverage with SELF. SWACC also provides for additional insurance and risk management programs and services as well as a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self-insurance for losses and other insurance and risk management programs and services. SELF and SWACC are independently accountable for their fiscal matters and are not component units of the District for financial reporting purposes.

Claims Liabilities

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 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, 2019 to June 30, 2021:

Liability Balance, July 1, 2019	$ 10,487,381
Claims and changes in estimates	1,313,147
Claims payments	(382,670)
Liability Balance, June 30, 2020	11,417,858
Claims and changes in estimates	611,406
Claims payments	(1,277,215)
Liability Balance, June 30, 2021	$ 10,752,049
Assets Available to Pay Claims at June 30, 2021	$ 11,842,803

Note 12 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2021, the District reported the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 246,350,963	$ 72,964,188	$ 17,176,248	$ 35,668,599
CalPERS	180,835,055	31,049,642	3,663,799	35,015,955
Total	$ 427,186,018	$ 104,013,830	$ 20,840,047	$ 70,684,554

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

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, 2019, 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:
https://www.calstrs.com/actuarial-financial-and-investor-information

CalSTRS 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 percent 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 provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31,	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.700%	20.700%

CalSTRS Contributions

Required member, District, and State 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 were to increase to a total of 19.1 percent of applicable member earnings phased over a seven-year period. However, the 2020 Budget Act provided relief to employers reducing the employer rate to 16.15% for 2020-21 fiscal year, thereafter the STRS board will have limited authority to adjust the contribution rate to meet the 2046 deadline to fully amortize the unfunded actuarial obligation. The contribution rates for each plan for the year ended June 30, 2021, are presented above, and the District's total contributions were $21,633,010.

CalSTRS On Behalf Payments

The State makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2021, which amounted to $13,718,653 (10.328 percent) of salaries subject to CalSTRS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. This amount has been reflected in the basic financial statements as a component of operating revenue and employee benefit expense.

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

At June 30, 2021, 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	$ 246,350,963
State's proportionate share of net pension	114,877,283
Total	$ 361,228,246

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2020 and June 30, 2019, was 0.2542 percent and 0.2331 percent, respectively, resulting in a net increase of 0.0211 percent in the proportionate share.

For the year ended June 30, 2021, the District recognized pension expense of $35,668,599. In addition, the District recognized revenue of $13,718,653 for support provided by the State. At June 30, 2021, 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	$ 21,633,010	$ -
Change in proportionate share of net pension liability	21,021,893	10,228,728
Differences between projected and actual earnings on pension plan investments	5,851,881	-
Differences between expected and actual experience in the measurement of the total pension liability	434,697	6,947,520
Change of assumptions	24,022,707	-
Total	$ 72,964,188	$ 17,176,248

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

The deferred inflows of resources related to the difference between projected and actual earning 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 of Resources
2022	$ (3,570,783)
2023	1,993,843
2024	3,977,940
2025	3,450,881

The deferred outflow/inflows of resources related to the net change in proportionate share of net pension liability, 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
2022	$ 8,884,389
2023	7,078,689
2024	7,377,300
2025	1,616,516
2026	808,200
Thereafter	2,537,955

CalSTRS Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30,2020 , are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.80%
Real estate	15%	3.60%
Private equity	13%	6.30%
Fixed income	12%	1.30%
Risk mitigating strategies	10%	1.80%
Inflation sensitive	6%	3.30%
Cash / liquidity	2%	-0.40%

CalSTRS Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. 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 percent) 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%)	$ 372,201,989
Current discount rate (7.10%)	$ 246,350,963
1% increase (8.10%)	$ 142,443,218

California Public Employees' Retirement System (CalPERS)

CalPERS Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, 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/employers/actuarial-services/gasb

CalPERS Benefits Provided

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

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31,	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.700%	20.700%

CalPERS 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, 2021, are presented above, and the total District contributions were $16,896,695.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $180,835,055. The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.5894 percent and 0.5837 percent, respectively, resulting in a net increase in the proportionate share of 0.0057 percent.

For the year ended June 30, 2021, the District recognized pension expense of $35,015,955. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 16,896,695	$ -
Change in proportionate share of net pension liability	756,545	3,663,799
Difference between projected and actual earnings on pension plan investments	3,764,410	-
Differences between expected and actual experience in the measurement of the total pension liability	8,968,863	-
Changes of assumptions	663,129	-
Total	$ 31,049,642	$ 3,663,799

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

The deferred outflows 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 of Resources
2022	$ (1,408,720)
2023	1,256,528
2024	2,184,054
2025	1,732,548

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

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2022	$ 5,429,754
2023	1,279,996
2024	26,290
2025	(11,302)

CalPERS Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and services

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

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

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

CalPERS Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 259,983,369
Current discount rate (7.15%)	$ 180,835,055
1% increase (8.15%)	$ 115,145,928

Tax Deferred Compensation

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Public Agency Retirement Services (PARS) system as its alternative plan.

The District offers its employees a Public Agency Retirement System (PARS) administered 457 Deferred Compensation Program (the Program). The Plan participants are individuals employed in certain classified assignments who have worked for the District on or after July 1, 2008, provided that they are not covered by any other retirement program such as CalPERS or CalSTRS through District employment. The Plan requires a contribution of at least 7.5% of wages. The Contribution is split evenly with the employees contributing 3.75% and the District contributing 3.75%. The plan results in savings for both employees and the District. The District's contribution to the Plan for the fiscal year ended June 30, 2021 was $205,267. Accounts are established in the name of each participant. Contributions are allocated directly to employee accounts. Participant account balances are fully vested and non-forfeitable. Participant account balances will be paid in a single distribution or direct rollover to another eligible retirement plan designated by the participant upon retirement or other termination. PARS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PARS annual financial report may be obtained from PARS, 5141 California Avenue, Suite 150, Irvine, California 92617-3069.

The District also contributes to the Los Rios Community College District 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

Note 13 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, 2021.

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, 2021.

Construction Commitments

As of June 30, 2021, the District had $45,154,628 of commitments with respect to its unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 14 - Subsequent Events

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known. Refer to the management discussion and analysis section of this report for additional analysis of the pandemic.

On July 1, 2021, the District issued 2021 General Obligation Bonds, Measure M, Series E in the amount of $130,000,000. Interest rates range from 2.00% to 3.00% with principal payments beginning August 1, 2021 and ending August 1, 2035.

In addition, on July 1, 2021, the District issued 2021 Refunding Bonds in the amount of $16,755,000, to refinance certain maturities of the 2011 General Obligation Refunding Bonds. The interest rate is 4% and principal payments begin August 1, 2021 and end August 1, 2027.

Note 15 - Restatement of Prior Year Net Position

The District adopted GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result, the effect on the current fiscal year is as follows:

Government-Wide Financial Statements	
Net Position - Beginning	$ 338,164,989
Inclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	2,450,105
Net Position - Beginning as Restated	$ 340,615,094
Fiduciary Funds	
Net Position - Beginning	$ 2,450,105
Exclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	(2,450,105)
Net Position - Beginning as Restated	$ -

Note 16 – Revised Financial Statements (dated March 18, 2022)

The District's audited financial statements were revised to include a year-end payroll accrual. Payroll and related liabilities increased from $29,183,382 to $34,742,616.

Required Supplementary Information
June 30, 2021

Los Rios Community College District

	2021 Measurement date 2020	2020 Measurement date 2019	2019 Measurement date 2018	2018 Measurement date 2017
Total OPEB Asset				
Service cost	$ 4,280,025	$ 4,043,603	$ 3,977,329	$ 3,852,135
Interest	6,158,278	5,986,421	5,471,925	5,163,916
Differences between expected and actual experience	-	914,153	3,910,439	-
Changes of assumptions	-	(4,443,284)	-	-
Benefit payments	(3,521,891)	(3,078,482)	(3,193,580)	(2,768,581)
Net changes in total OPEB asset	6,916,412	3,422,411	10,166,113	6,247,470
Total OPEB Asset - beginning	120,646,478	117,224,067	107,057,954	100,810,484
Total OPEB Asset - ending (a)	127,562,890	120,646,478	117,224,067	107,057,954
Plan fiduciary net position				
Contributions - employer	4,054,415	5,553,625	3,377,713	3,351,026
Net investment income	9,957,190	8,961,515	4,723,266	7,044,472
Benefit payments	(3,521,891)	(3,078,482)	(3,193,580)	(2,768,581)
Net change in plan fiduciary net position	10,489,714	11,436,658	4,907,399	7,626,917
Plan fiduciary net position - beginning	133,011,717	121,575,059	116,667,660	109,040,743
Plan fiduciary net position - ending (b)	143,501,431	133,011,717	121,575,059	116,667,660
District's net OPEB (asset) - ending (a) - (b)	$ (15,938,541)	$ (12,365,239)	$ (4,350,992)	$ (9,609,706)
Plan fiduciary net position as a percentage of thetotal OPEB liability	112.49%	110.25%	103.71%	108.98%
Covered-employee payroll	$232,823,656	$214,374,721	$218,057,096	$206,563,055
District's net OPEB asset as a percentage of covered-employee payroll	6.85%	5.77%	2.00%	4.65%

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

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 4,011,487	$ 3,955,463	$ 1,011,340	$ -	$ -
Contributions in relation to the actuarilly determined contribution	3,888,640	3,417,555	5,553,625	3,377,713	3,351,026
Contribution deficiency (excess)	$ 122,847	$ 537,908	$ (4,542,285)	$ (3,377,713)	$ (3,351,026)
Covered-employee payroll	$ 215,277,976	$ 232,832,926	$ 214,374,721	$ 218,057,096	$ 205,078,858
Contribution as a percentage of covered-employee payroll	1.81%	1.47%	2.59%	1.55%	1.63%

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

	2021 Measurement date 2020	2020 Measurement date 2019	2019 Measurement date 2018	2018 Measurement date 2017	2017 Measurement date 2016	2016 Measurement date 2015	2015 Measurement date 2014
CalSTRS							
District's proportion of the net pension liability	0.2542%	0.2331%	0.2436%	0.2361%	0.2512%	0.2540%	0.2540%
District's proportionate share of the net pension liability	$ 246,350,963	$ 210,565,033	$ 223,885,883	$ 218,378,653	$ 203,170,928	$ 171,002,960	$ 148,429,980
State's proportionate share of the net pension liability associated with the District	126,993,951	114,877,283	128,185,139	129,190,966	115,661,585	90,496,390	89,605,779
Total	$ 373,344,914	$ 325,442,316	$ 352,071,022	$ 347,569,619	$ 318,832,513	$ 261,499,350	$ 238,035,759
District's covered - employee payroll	$ 144,073,749	$ 132,829,695	$ 135,556,788	$ 129,143,886	$ 128,872,601	$ 119,125,206	$ 111,268,958
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	171%	159%	165%	169%	158%	144%	133%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%	70%	74%	77%
CalPERS							
District's proportion of the net pension liability	0.5894%	0.5837%	0.5953%	0.5793%	0.6079%	0.6383%	0.6295%
District's proportionate share of the net pension liability	$ 180,835,055	$ 170,117,949	$ 158,720,637	$ 138,304,139	$ 120,060,427	$ 94,086,050	$ 71,463,577
District's covered - employee payroll	$ 88,750,177	$ 81,545,026	$ 82,500,308	$ 77,419,169	$ 76,206,257	$ 71,316,255	$ 68,255,629
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	204%	209%	192%	179%	158%	132%	105%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%	74%	79%	83%

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

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Contractually required contribution	$ 21,633,010	$ 24,641,228	$ 21,585,563	$ 19,566,444	$ 16,500,606	$ 12,979,900	$ 10,573,510
Contributions in relation to the contractually required contribution	21,633,010	24,641,228	21,585,563	19,566,444	16,500,606	12,979,900	10,573,510
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 133,531,342	$ 144,073,749	$ 132,829,695	$ 135,556,788	$ 129,143,886	$ 128,872,601	$ 119,125,206
Contributions as a percentage of covered - employee payroll	16.20%	17.10%	16.25%	14.43%	12.8%	10.1%	8.9%
CalPERS							
Contractually required contribution	$ 16,896,695	$ 17,475,114	$ 14,619,968	$ 12,730,993	$ 10,751,974	$ 8,635,679	$ 8,404,663
Contributions in relation to the contractually required contribution	16,896,695	17,475,114	14,619,968	12,730,993	10,751,974	8,635,679	8,404,663
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 81,746,634	$ 88,750,177	$ 81,545,026	$ 82,500,308	$ 77,419,169	$ 76,206,257	$ 71,316,255
Contributions as a percentage of covered - employee payroll	20.7%	19.7%	17.9%	15.4%	13.9%	11.3%	11.8%

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

Note 1 - Purpose of Schedules

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

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

- ***Changes in Benefit Terms*** - There were no changes in benefit terms since the previous valuation.

- ***Changes in Assumptions*** - There were no significant changes to assumptions for the years ended June 30, 2017, 2018, 2020, and 2021. The significant changes to assumptions for the year ended June 30, 2019 are as follows: 1) updated demographic assumptions based on the new CalPERS and CalSTRS studies, 2) updated participation rate assumptions, 3) reflect the 2019 appeal of the excise tax liability under the Affordable Care Act.

Schedule of District Contributions for OPEB

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

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

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

- ***Changes in Benefit Terms*** - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

- ***Changes in Assumptions*** - There were no changes in assumptions since the previous valuations for both CalSTRS and CalPERS.

Schedule of District Contributions for Pension

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

Supplementary Information
June 30, 2021

Los Rios Community College District

Los Rios Community College District was established on July 1, 1964 and commenced operations on July 1, 1965. The District's 2,400 square mile service area includes Sacramento County, most of El Dorado County and parts of Yolo, Placer, and Solano counties. 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, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Tami Nelson	President	2024
John Knight	Vice President	2024
Kelly Wilkerson	Member	2024
Pamela Haynes	Member	2024
Dustin Johnson	Member	2022
Deborah Ortiz	Member	2022
Robert Jones	Member	2022
Jenn Galinato	Student Trustee	2022

DISTRICT ADMINISTRATION

Dr. Brian King	Chancellor
Mario Rodriguez	Vice Chancellor, Finance and Administration
Jamey Nye, Ph.D.	Deputy Chancellor

AUXILIARY ORGANIZATION IN GOOD STANDING

Los Rios Colleges Foundation established 1978
Paula Allison, President

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department Of Education			
Student Financial Aid Cluster			
Pell Grant	84.063	N/A	$ 67,864,034
Federal Direct Loans	84.268	N/A	17,198,621
Supplemental Education Opportunity Grants	84.007	N/A	3,007,592
College Work Study	84.033	N/A	436,323
Total Financial Aid Cluster			88,506,570
TRIO Cluster			
TRIO Student Support Services	84.042A	N/A	286,330
TRIO STEM Student Support Services	84.042A	N/A	264,996
TRIO Veterans Student Support Services	84.042A	N/A	230,171
Subtotal			781,497
TRIO Natomas Talent Search Program	84.044A	N/A	382,262
TRIO San Juan Unified School District Talent Search Program	84.044A	N/A	371,349
TRIO Twin Rivers Talent Search Program	84.044A	N/A	204,363
Subtotal			957,974
TRIO Upward Bound: Inderkum HS	84.047	N/A	263,780
TRIO Upward Bound: Center HS	84.047	N/A	274,185
TRIO Upward Bound: Monterey Trail & Valley HS	84.047	N/A	165,194
TRIO Upward Bound: Florin HS	84.047	N/A	163,317
Subtotal			866,476
Total TRIO Cluster			2,605,947
Hispanic-Serving Institutions Program -			
Strengthening Institutions Programs	84.031A	N/A	595,572
STEM & Articulation Programs	84.031C	N/A	783,625
Hispanic-Serving Institutions Program	84.031S	N/A	243,500
Total Hispanic Serving Institutions Programs			1,622,697
Cares Act Higher Education Emergency Relief Fund (HEERF)			
COVID 19 HEERF Student Aid Portion	84.425E	N/A	17,481,500
COVID 19 HEERF Institutional Portion	84.425F	N/A	31,226,482
COVID 19 HEERF Minority Serving Institutions	84.425L	N/A	195,986
Total HEERF			48,903,968
Asian American & Native American Pacific Islander			
Serving Institutions	84.382B	N/A	340,811
Passed Through California Department of Education			
Perkins Title 1, Part C	84.048	15-C01-028	2,565,524
Passed Through Department of Rehabilitation			
Workability III	84.126A	29985	211,464
College to Career	84.126A	30501	231,641
Total Workability			443,105
Passed Through The Regents of the University of California			
Open Textbooks Pilot Program	84.116	P116T180029	84,357
Total U.S. Department of Education			145,072,979

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Temporary Assistance to Needy Families	93.558	N/A	447,370
477 Cluster			
Passed Through Yosemite Community College			
Child Care Access	93.575	15-16-7694	33,350
Total 477 Cluster - Child Care Access			33,350
Passed Through Foundation for California Community Colleges			
Independent Living Program	93.674	N/A	22,498
Passed Through California Community College Chancellor's Office			
Vocational and Applied Technology Education Act - Title IVE - Foster Care Program	93.658	N/A	134,296
Total U.S. Department of Health and Human Services			637,514
U.S. Department Of Agriculture			
Passed Through California Department of Food and Agriculture			
Aligning Import Perspectives	10.156	17-0478-002-SF	8,385
Passed Through California Department of Education			
NIFA Ag Dual Enrollment	10.223	38422	16,763
Total U.S. Department of Agriculture			25,148
U.S. Department Of Labor Employment and Training Administration			
Rural Business Enterprise Grant	17.268	N/A	1,090,213
Strengthening Community Colleges	17.261	N/A	82,297
Total U.S. Department Of Labor Employment and Training Administration			1,172,510
U.S. Department of Treasury			
COVID-19 Block Grant Federal (Coronavirus Relief Fund)	21.019	N/A	2,500,826
Total U.S. Department of Treasury			2,500,826
National Science Foundation			
Sustainable Interdisplinary Research to Inspire Success II	47.076	535831	7,688
Total National Science Foundation			7,688
U.S. Small Business Administration			
Passed Through California Community Colleges Chancellor's Office			
California State Trade Expansion	59.061	18-0421-001-ST	12,401
Total U.S. Small Business Administration			12,401
Corporation for National and Community Service (CNCS)			
Americorp	94.006	N/A	129,893
Total Corporation for National and Community Service (CNCS)			129,893
Total Federal Financial Assistance			$ 149,558,959

Program	Program Revenues Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Basic Skills Inititative (BSI)	$ 680,873	$ -	$ 197,536	$ 483,337	$ 483,337
Basic Skills Partnership Program Pilot	16,781	-	16,781	-	-
Board Financial Assistance Program (BFAP)	2,799,944	-	110,111	2,689,833	2,689,833
CA Virtual Campus Online Network of Educators	898,074	-	-	898,074	898,074
Cal Grant	10,346,245	30,439	6,656	10,370,028	10,370,028
California College Promise	4,118,560	-	-	4,118,560	4,118,560
California Prison Industry Authority - Culinary Arts	20,823	-	-	20,823	20,823
CalWORKS	3,131,058	5,137	914,367	2,221,828	2,221,828
Capital Outlay Projects	2,052,818	-	1,336,525	716,293	716,293
CDC California Child Care & Food Program	1,566,998	49,547	90,405	1,526,140	1,526,140
CDF Tax Bailout	205,071	-	-	205,071	205,071
College Specific Allocations	2,053,654	-	1,751,090	302,564	302,564
Commission on Peace Officer Standards and Training		10,421	-	10,421	10,421
Community College Completion Grant	10,510,535	62	5,356,702	5,153,895	5,153,895
Community College Construction Act of 1980	2,011,918	12,193	-	2,024,111	2,024,111
Cooperative Agency Resource Education (CARE)	743,175	-	189,513	553,662	553,662
COVID-19 Block Grant State	3,069,796	-	-	3,069,796	3,069,796
Deputy Sector Navigator (DSN): Health	137,986	126,501	54,391	210,095	210,095
Disabled Students Program & Services (DSPS)	5,935,639	-	1,421,102	4,514,537	4,514,537
Diversity in Engineering	26,291	-	24,738	1,553	1,553
Dream Resource Liaison Support Allocation	236,246	-	219,560	16,687	16,687
Economic Development	1,786,329	410,628	976,810	1,220,146	1,220,146
Equal Employment Opportunity	48,728	-	6,737	41,991	41,991
Extended Opportunity Program & Services (EOPS)	4,572,869	-	395,131	4,177,738	4,177,738
Financial Aid Technology	529,391	-	236,364	293,027	293,027
Foster Care Program	62,766	129,610	-	192,376	192,376
Child Care Program	26,568	-	9,040	17,528	17,528
Emergency Student Financial Assistance	61,000	-	-	61,000	61,000
Guided Pathways	1,413,677	-	1,000,627	413,050	413,050
Hunger Free Campus	340,802	-	139,124	201,677	201,677
ICT/Digital Media Regional Director	71,068	170,499	-	241,566	241,566
Inmate Education Pilot Program / Incarcerated Students Reentry	182,948	-	95,042	87,906	87,906
Innovation and Effectiveness (IEPI)	636,275	10,000	376,258	270,017	270,017
Makerspace	67,238	-	10,342	56,896	56,896
Mathematics, Engineering, Science Achievement	29,456	1,304	-	30,760	30,760
Middle College High School	7,397	-	-	7,397	7,397
NEXTUP	1,300,405	-	495,334	805,071	805,071
Nursing Education	549,086	-	122,629	426,456	426,456
Other	580,709	24,349	346,573	258,485	258,485
Proposition 39 Clean Energy Fund	1,702,239	-	1,702,239	-	-
Disaster Relief Emergency Student Financial Aid (Los Rios Dreamer)	595,222	-	24,822	570,400	570,400
State Instructional Materials Grant	480,702	-	331,671	149,032	149,032
State On-Behalf Payments CalSTRS	-	-	-	1,385,732	1,385,732
Strong Workforce Program	26,599,558	7,248,888	23,500,205	10,348,241	10,348,241
Student Equity and Achievement Program (SE)	6,126,465	11,885,191	798,650	17,213,006	17,213,006
Student Retention & Enrollment	574,991	-	387,658	187,333	187,333
Student Success and Support Program (SSSP)	21,278	-	-	21,278	21,278
Veterans Resource Center	560,315	132,105	155,220	537,199	537,199
Total State Programs	$ 99,489,966	$ 20,246,871	$ 42,799,954	$ 78,322,615	$ 78,322,615

Categories	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit	0.55	-	0.55
2. Credit	4,274.40	-	4,274.40
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit	-	-	-
2. Credit	72.38	-	72.38
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	10,147.56	-	10,147.56
(b) Daily Census Contact Hours	723.69	-	723.69
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	17.81	-	17.81
(b) Credit	1,097.77	-	1,097.77
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	21,748.10	-	21,748.10
(b) Daily Census Contact Hours	3,953.45	-	3,953.45
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	42,035.71	-	42,035.71
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	1,016.96	-	1,016.96
F Basic Skills Courses and Immigrant Education			
1. Noncredit	-	-	-
2. Credit	1,373.36	-	1,373.36
Centers FTES			
1. Noncredit	-	-	-
2. Credit	6,595.15	-	6,595.15

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 75,122,046	$ -	$ 75,122,046	$ 75,122,046	$ -	$ 75,122,046
Other	1300	37,533,209	-	37,533,209	37,533,209	-	37,533,209
Total Instructional Salaries		112,655,255	-	112,655,255	112,655,255	-	112,655,255
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	29,030,120	-	29,030,120
Other	1400	-	-	-	2,194,554	-	2,194,554
Total Noninstructional Salaries		-	-	-	31,224,674	-	31,224,674
Total Academic Salaries		112,655,255	-	112,655,255	143,879,929	-	143,879,929
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	51,540,537	-	51,540,537
Other	2300	-	-	-	1,978,006	-	1,978,006
Total Noninstructional Salaries		-	-	-	53,518,543	-	53,518,543
Instructional Aides							
Regular Status	2200	5,786,448	-	5,786,448	5,786,448	-	5,786,448
Other	2400	413,515	-	413,515	413,515	-	413,515
Total Instructional Aides		6,199,963	-	6,199,963	6,199,963	-	6,199,963
Total Classified Salaries		6,199,963	-	6,199,963	59,718,506	-	59,718,506
Employee Benefits	3000	48,454,417	-	48,454,417	87,673,477	-	87,673,477
Supplies and Material	4000	-	-	-	2,139,645	-	2,139,645
Other Operating Expenses	5000	3,402,391	-	3,402,391	17,649,540	-	17,649,540
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures		170,712,026	-	170,712,026	311,061,097	-	311,061,097

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	788,255	-	788,255
Lottery Expenditures							-
Academic Salaries	1000	1,565,086	-	1,565,086	1,998,881	-	1,998,881
Classified Salaries	2000	80,757	-	80,757	800,428	-	800,428
Employee Benefits	3000	290,443	-	290,443	493,996	-	493,996
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6400	-	-	-	-	-	-
Equipment - Replacement	6410	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		1,936,286	-	1,936,286	4,081,560	-	4,081,560
Total for ECS 84362,		$ 168,775,740	$ -	$ 168,775,740	$ 306,979,537	$ -	$ 306,979,537
Percent of CEE (Instructional Salary		54.98%		54.98%	100.00%		100.00%
50% of Current Expense of Education					$ 153,489,769		$ 153,489,769

See Notes to Supplementary Information

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2021.

Activity Classification	Object Code			Unrestricted	
EPA Proceeds:	8630				$ 74,599,232
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 74,599,232	$ -	$ -	$ 74,599,232
Total Expenditures for EPA		$ 74,599,232	-	-	$ 74,599,232
Revenues Less Expenditures					$ -

Total Fund Balance		
General Funds	$ 124,464,135	
Debt Service Funds	43,698,973	
Special Revenue Funds	325,775	
Capital Project Funds	208,798,667	
Enterprise Funds	7,159,212	
Internal Service Funds	14,284,294	
Fiduciary Funds	2,641,984	
		$ 401,373,040
Net audit adjustments		
No adjustments were made to the District's Funds		-
Total fund balance		401,373,040
Reconciliation of Net Position		
Capital assets, net		744,763,022
OPEB Asset		15,938,541
Deferred outflows (inflows) of resources related to pensions and OPEB		82,007,504
Deferred charges on debt refunding		7,579,905
Long-term liabilities at year end consist of		
Bonds payable	442,318,690	
Net pension obligations	427,186,018	
Total long term liabilities		(869,504,708)
Total net position		$ 382,157,304

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.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Schedule of Expenditures of State Awards

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

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

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

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

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

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's internal fund financial statements.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

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 entity-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, 2021

Los Rios Community College District

CPAs & BUSINESS ADVISORS

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

Board of Trustees
Los Rios Community College District
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of Los Rios Community College District (the District) as of and for the year ended June 30, 2021, 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 1, 2022.

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

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

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

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

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

Eide Bailly LLP

San Ramon, California
February 1, 2022

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

Board of Trustees
Los Rios Community College District
Sacramento, California

Report on Compliance for Each Major Federal Program
We have audited Los Rios Community College District's (the District) compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility
Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program
In our opinion, the District complied, in all material respects, with the types of 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, 2021**.**

Report on Internal Control Over Compliance
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

San Ramon, California
February 1, 2022

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

Board of Trustees
Los Rios Community College District
Sacramento, California

Report on State Compliance
We have audited Los Rios Community College District's (the District) compliance with the types of compliance requirements as identified in the 2020-2021 California Community Colleges Chancellor's Office *Contracted District Audit Manual* , applicable to the state laws and regulations listed in the table below that could have a direct and material effect on each of the District's State programs as noted below for the year ended June 30, 2021.

Management's Responsibility
Management is responsible for compliance with State laws and regulations as identified in the table below.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2020-2021 California Community Colleges Chancellor's Office *District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of the District's compliance with those requirements.

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Other Matters

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	State Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 499	COVID-19 Response Block Grant Expenditures

The District reports no To Be Arranged Hours (TBA); therefore, the compliance tests within this section were not applicable.

Unmodified Opinion for Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted below that were audited for the year ended June 30, 2021.

Eide Bailly LLP

San Ramon, California
February 1, 2022

Schedule of Findings and Questioned Costs
June 30, 2021

Los Rios Community College District

Financial Statements

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

Federal Awards

Internal control over major Federal 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 Federal programs

Name of Federal Program or Cluster Student Financial Aid Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
Student Financial Aid Cluster	84.063, 84.268, 84.007, 84.033
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Portion	84.425E
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F

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

State Awards

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

None reported.

None reported.

None reported.

None reported.

APPENDIX C

GENERAL INFORMATION ABOUT SACRAMENTO COUNTY, EL DORADO COUNTY AND YOLO COUNTY

*The District's service area includes most of Sacramento County and portions of El Dorado, Yolo, Solano and Placer counties (each, a "**County**"; collectively, the "**Counties**"). The following information concerning the Counties is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the Counties, the State of California (the "**State**") or any of its political subdivisions (other than the District), and neither the Counties, the State nor any of its political subdivisions (other than the District) is liable therefor.*

The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors. For more information on the impact of the COVID-19 pandemic, see "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19" herein. See also references to COVID-19 in the section entitled "PROPERTY TAXATION", and in APPENDIX A under the heading "DISTRICT GENERAL INFORMATION" and "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Sacramento County. Sacramento County was incorporated in 1850 as one of the original 27 counties of the State. Sacramento County's largest city, the City of Sacramento, is the seat of government for the State and also serves as the county seat. Sacramento became the State Capital in 1854. Sacramento County is included in the Sacramento-Roseville-Arden-Arcade Metropolitan Statistical Area ("**MSA**").

Sacramento County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. Sacramento County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. Sacramento County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

El Dorado County. El Dorado County, located in east-central California, encompasses 1,805 square miles of rolling hills and mountainous terrain. El Dorado County's western boundary contains part of Folsom Lake, and the eastern boundary is the California-Nevada State line. El Dorado County is topographically divided into two zones. The northeast corner of El Dorado County is in the Lake Tahoe basin, while the remainder of El Dorado County is in the "western slope," the area west of Echo Summit. This landscape invites residents and tourists alike to enjoy outdoor recreation activities year-round. There are two municipalities within El Dorado County. The largest city in the County is South Lake Tahoe, with a 2021 population estimate of 23,398. The City of Placerville, the County seat, is located 45 miles northeast of Sacramento. El Dorado County is also included in the Sacramento-Roseville-Arden-Arcade MSA.

Yolo County. Yolo County is located in northern California, north of Sacramento and Solano Counties, and east of Napa County. Agriculture is Yolo County's primary industry. The eastern two-thirds of Yolo County consists of nearly level alluvial fans, flat plains, and basins, while the western third is largely composed of rolling terraces and steep uplands used for dry-farmed grain and range. The elevation ranges from slightly below sea level near the Sacramento

River around Clarksburg to 3,000 feet along the ridge of the western mountains. Yolo County is also included in the Sacramento-Roseville-Arden-Arcade MSA.

Population

The following table lists population figures for Sacramento, El Dorado and Yolo Counties and the State for the last five years.

SACRAMENTO, EL DORADO AND YOLO COUNTIES
AND STATE OF CALIFORNIA
Population Estimates

Calendar Year	Sacramento County	El Dorado County	Yolo County	State of California
2017	1,511,390	184,993	217,805	39,352,398
2018	1,525,099	187,940	219,651	39,519,535
2019	1,538,054	189,691	220,330	39,605,361
2020	1,553,157	193,519	221,276	39,648,938
2021	1,561,014	195,362	217,500	39,466,855

Source: State Department of Finance estimates.

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Employment and Industry

The following table provides estimates of the labor force, civilian employment and unemployment for the Sacramento-Roseville-Arden-Arcade MSA for the years 2017 through 2021. Sacramento County, along with Yolo County, Placer County, and El Dorado County, are part of the Sacramento-Arden Arcade-Roseville MSA.

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 4.3 percent in February 2022, down from a revised 5.0 percent in January 2022, and below the year-ago estimate of 7.8 percent. This compares with an unadjusted unemployment rate of 4.8 percent for California and 4.1 percent for the nation during the same period. The unemployment rate was 3.9 percent in El Dorado County, 3.2 percent in Placer County, 4.7 percent in Sacramento County, and 4.5 percent in Yolo County.

SACRAMENTO- ROSEVILLE-ARDEN ARCADE MSA
El Dorado, Placer, Sacramento, Yolo Counties
Employment by Industry
Calendar Years 2017 through 2021
(March 2021 Benchmark)

	2017	2018	2019	2020	2021
Civilian Labor Force (1)	1,074,000	1,088,300	1,100,800	1,091,700	1,099,300
Employment	1,024,800	1,046,900	1,060,300	994,000	1,028,800
Unemployment	49,200	41,500	40,500	97,700	70,500
Unemployment Rate	4.6%	3.8%	3.7%	9.0%	6.4%
Wage and Salary Employment (2)					
Agriculture	9,800	9,100	8,700	8,300	9,000
Mining and Logging	400	500	500	600	700
Construction	58,700	64,500	69,400	70,200	74,100
Manufacturing	35,700	36,000	36,800	36,100	37,500
Wholesale Trade	26,500	28,400	28,600	26,500	26,400
Retail Trade	101,400	102,000	100,500	95,200	101,100
Transportation, Warehousing and Utilities	27,400	29,500	32,200	34,300	37,100
Information	12,600	12,400	11,900	10,200	10,000
Finance and Insurance	37,400	36,700	35,200	34,800	34,300
Real Estate and Rental and Leasing	15,200	16,800	17,300	16,900	17,400
Professional and Business Services	132,400	136,000	137,200	132,500	136,700
Educational and Health Services	153,600	159,800	166,600	164,000	168,400
Leisure and Hospitality	103,300	106,200	109,600	83,900	92,800
Other Services	33,000	34,200	35,400	31,000	32,600
Federal Government	14,200	14,100	14,200	14,800	14,500
State Government	118,400	120,400	121,900	121,700	126,800
Local Government	102,600	103,500	105,300	98,900	98,000
Total, All Industries (3)	982,500	1,009,900	1,031,300	979,700	1,017,200

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Major Employers

The following table alphabetically lists the major employers within Sacramento County.

SACRAMENTO COUNTY
MAJOR EMPLOYERS
(As of April 2022)

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions Inc	Folsom	Information Technology Services
AMPAC FINE CHEMICALS LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
California Department-Crrctns	Sacramento	Insurance Agents Brokers & Service
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Corrections Department	Sacramento	State Govt-Correctional Institutions
Dept of Transportation In Ca	Sacramento	Government Offices-State
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Employment Development Dept	Sacramento	Outplacement Consultants
Environmental Protection Agcy	Sacramento	State Govt-Air/Water/Solid Waste Management
Intel Corp	Folsom	Semiconductor Devices (mfrs)
Kaiser Permanente South	Sacramento	Hospitals
L A Care Health Plan	Sacramento	Health Plans
Mercy General Hospital	Sacramento	Hospitals
Mercy San Juan Medical Ctr	Carmichael	Hospitals
Sacramento Bee	Sacramento	Newspapers (publishers/Mfrs)
Sacramento Municipal Utility	Sacramento	Utility Contractors
Sacramento Municipal Utility	Sacramento	Electric Contractors
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service
State Compensation Ins Fund	Sacramento	Insurance
Summit Funding Inc	Sacramento	Real Estate Loans
Sutter Medical Ctr-Sacramento	Sacramento	Hospitals
Villara Building Systems	Mcclellan	Building Contractors
Water Resource Dept	Sacramento	Government Offices-State

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd Edition.

El Dorado County. The following table alphabetically lists the major employers within El Dorado County.

EL DORADO COUNTY
Major Employers
(As of April 2022)

Employer	Location	Industry
Barton Health	South Lake Tahoe	Hospitals
Blue Shield of California	El Dorado Hills	Insurance
Broadridge Financial Solutions	El Dorado Hills	Business Services NEC
Camp Richardson Resort	South Lake Tahoe	Resorts
Camp Richardson Resrt Ice	South Lake Tahoe	Resorts
CEMEX	El Dorado Hills	Construction Companies
Child Development Programs	Placerville	Youth Organizations & Centers
County of Eldorado	Placerville	County Government-General Offices
El Dorado County Child Protctn	Placerville	Government Offices-County
El Dorado County Sheriff	Placerville	Sheriff
El Dorado County Trnsprtn	Placerville	Government Offices-County
El Dorado Irrigation District	Placerville	Water & Sewage Companies-Utility
Lake Tahoe Community College	South Lake Tahoe	Junior-Community College-Tech Institutes
Liberty Utilities Co	South Lake Tahoe	Utility Contractors
Marriott-Timber Lodge	South Lake Tahoe	Hotels & Motels
More	Placerville	Rehabilitation Services
Nugget Markets	El Dorado Hills	Grocers-Retail
Oak Ridge High School	El Dorado Hills	Schools
Safeway	South Lake Tahoe	Grocers-Retail
Sierra-At-Tahoe Resort	Twin Bridges	Skiing Centers & Resorts
South Lake Tahoe City Manager	South Lake Tahoe	City Government-Executive Offices
Spare Time Inc	El Dorado Hills	Health Clubs Studios & Gymnasiums
Top To Bottom Inside & Out Inc	El Dorado Hills	Home Improvements
Transitional Learning Ctr High	South Lake Tahoe	Schools
Urbana Tahoe Tc LLC	South Lake Tahoe	Hotels & Motels

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd Edition.

Yolo County. The following table alphabetically lists the major employers within Yolo County.

YOLO COUNTY
Major Employers
(As of April 2022)

Employer Name	Location	Industry
Beckman Coulter Inc	West Sacramento	Physicians & Surgeons Equip & Supls-Mfrs
Cache Creek Casino Resort	Brooks	Casinos
Capital Express Lines	West Sacramento	Trucking-Motor Freight
City of Davis-City Manager Ofc	Davis	City Government-Executive Offices
Dennis Blazona Constr Inc	West Sacramento	Construction Companies
Fedex Freight	West Sacramento	Trucking-Motor Freight
IKEA	West Sacramento	Furniture-Dealers-Retail
Mariani Nut Co	Winters	Nuts-Edible
Mcguire & Hester	West Sacramento	General Contractors
Nor-Cal Beverage Co	West Sacramento	Vending Machines-Manufacturers
Pacific Coast Producers	Woodland	Canning (mfrs)
Procurement Office	West Sacramento	State Government-General Offices
Promega Corp	Madison	Biotechnology Products & Services
Rite Aid Distribution Ctr	Woodland	Distribution Centers (whls)
Sutter Davis Hospital	Davis	Hospitals
Target Distribution Ctr	Woodland	Distribution Centers (whls)
Tony's Fine Foods	West Sacramento	Steel-Distributors & Warehouses (whls)
University of California Davis	Davis	Schools-Universities & Colleges Academic
UPS Customer Ctr	West Sacramento	Mailing & Shipping Services
Walmart Supercenter	West Sacramento	Department Stores
Woodland Healthcare	Woodland	Health Care Management
Woodland Healthcare Foundation	Woodland	Health Services
Yolo County District Attorney	Woodland	Government Offices-County
Yolo County Office of Edu	Woodland	Program Service-Educational
Yolo County Sheriff-Civil Div	Woodland	Government Offices-County

Source: California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd Edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the Counties, the State, and the United States for the period 2018 through 2022.

SACRAMENTO, EL DORADO AND YOLO COUNTIES,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income 2018 through 2022

Year	Area	Total Effective Buying Income (000s' Omitted)	Median Household Effective Buying Income
2018	Sacramento County	$38,238,821	$54,343
	El Dorado County	6,786,006	68,784
	Yolo County	5,871,305	55,751
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Sacramento County	$40,651,806	$56,387
	El Dorado County	6,884,494	67,948
	Yolo County	6,428,553	58,678
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Sacramento County	$42,705,779	$59,288
	El Dorado County	7,131,224	70,899
	Yolo County	6,659,365	61,003
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Sacramento County	$45,067,224	$62,945
	El Dorado County	7,711,541	73,169
	Yolo County	6,592,331	60,602
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	Sacramento County	$51,287,459	$70,279
	El Dorado County	8,429,911	81,237
	Yolo County	7,492,552	69,975
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for year 2018; Claritas, LLC for 2019 through 2022.

Commercial Activity

Sacramento County. Total taxable sales during the first three quarters of calendar year 2021 in Sacramento County were reported to be $24,737,186,514, a 26.62% increase over the total taxable sales of $19,536,261,637 reported during the first three quarters of calendar year 2020.

A summary of historic taxable sales within Sacramento County during the past five years in which data is available is shown in the following tables. Annual figures for calendar year 2021 are not yet available.

SACRAMENTO COUNTY
Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	**Taxable Transactions**	**Number of Permits**	**Taxable Transactions**
2016	24,383	16,016,856	36,915	23,184,500
2017	24,501	16,729,885	37,317	24,405,149
2018	24,853	17,593,375	39,066	25,443,669
2019	25,530	18,156,992	40,858	26,717,621
2020	28,055	18,288,243	45,361	26,837,392

Source: State Department of Tax and Fee Administration.

El Dorado County. Total taxable sales during the first three quarters of calendar year 2021 in El Dorado County were reported to be $2,260,650,084, a 15.30% increase over the total taxable sales of $1,960,693,735 reported during the first three quarters of calendar year 2020.

A summary of historic taxable sales within El Dorado County during the past five years for which data is available is shown in the following table. Annual figures for calendar year 2021 are not yet available.

COUNTY OF EL DORADO
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	**Taxable Transactions**	**Number of Permits**	**Taxable Transactions**
2016	4,327	1,559,352	6,760	2,184,807
2017	4,331	1,670,028	6,796	2,307,481
2018	4,216	1,771,739	6,836	2,369,664
2019	4,183	1,876,936	6,917	2,544,004
2020	4,332	2,005,650	7,309	2,707,847

Source: State Department of Tax and Fee Administration.

Yolo County. Total taxable sales during the first three quarters of calendar year 2021 in Yolo County were reported to be $3,927,236,906, a 16.07% increase from the total taxable sales of $3,383,554,893 reported during the first three quarters of calendar year 2020.

A summary of historic taxable sales within Yolo County during the past five years for which data is available is shown in the following table. Annual figures for calendar year 2021 are not yet available.

YOLO COUNTY
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
Year	**Number of Permits**	**Taxable Transactions**	**Number of Permits**	**Taxable Transactions**
2016	2,733	2,281,957	4,646	3,937,145
2017	2,822	2,453,709	4,765	4,159,476
2018	2,907	2,739,170	5,154	4,572,356
2019	2,875	2,711,980	5,224	4,658,980
2020	3,073	2,830,637	5,654	4,649,603

Source: State Department of Tax and Fee Administration.

Construction Activity

Sacramento County. The following table shows a five-year summary of the valuation of building permits issued in Sacramento County. Annual figures for calendar year 2021 are not yet available.

SACRAMENTO COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

	2016	**2017**	**2018**	**2019**	**2020**
Permit Valuation					
New Single-family	$611,073.6	$744,006.3	$1,069,568.4	$1,108,399.9	$1,008,390.7
New Multi-family	83,282.9	242,222.8	158,638.0	265,188.8	467,418.7
Res. Alterations/Additions	255,821.8	214,028.1	276,723.6	293,210.5	262,864.6
Total Residential	950,178.3	1,200,257.2	1,504,930.0	1,666,799.2	1,738,674.0
New Commercial	489,080.1	298,496.5	303,805.9	666,664.3	449,494.3
New Industrial	150.0	3,026.0	14,151.1	31,851.4	31,155.0
New Other	126,750.6	112,607.4	128,325.7	105,555.1	75,356.7
Com. Alterations/Additions	418,862.1	265,276.7	518,663.2	700,604.0	335,458.0
Total Nonresidential	1,034,842.8	679,406.6	964,945.9	1,504,674.8	891,464.0
New Dwelling Units					
Single Family	276	3,174	3,589	3,981	3,588
Multiple Family	609	1,761	1,272	2,008	2,868
TOTAL	885	4,935	4,861	5,989	6,456

Source: Construction Industry Research Board, Building Permit Summary.

El Dorado County. The following table shows a five-year summary of the valuation of building permits issued in El Dorado County. Annual figures for calendar year 2021 are not yet available.

EL DORADO COUNTY
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2016	2017	2018	2019	2020
Permit Valuation					
New Single-family	$315,047.3	$307,620.9	$221,702.9	$404,049.4	$271,705.8
New Multi-family	0.0	650.0	2,458.5	14,250.0	2,621.6
Res. Alterations/Additions	35,732.9	35,706.8	50,395.3	39,291.3	30,270.3
Total Residential	350,780.2	343,977.8	274,556.7	457,590.7	304,597.7
New Commercial	17,550.6	15,295.6	37,141.5	42,622.0	16,917.1
New Industrial	167.6	0.0	1,024.1	0.0	0.0
New Other	49,335.5	40,288.3	48,961.4	35,357.3	28,555.7
Com. Alterations/Additions	24,003.1	22,931.0	21,186.3	27,883.6	24,950.1
Total Nonresidential	91,056.8	78,514.9	108,313.3	105,862.9	70,422.9
New Dwelling Units					
Single Family	799	814	613	595	649
Multiple Family	0	6	6	18	7
TOTAL	799	820	619	613	656

Source: Construction Industry Research Board, Building Permit Summary.

Yolo County. The following table shows a five-year summary of the valuation of building permits issued in Yolo County. Annual figures for calendar year 2021 are not yet available.

YOLO COUNTY
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2016	2017	2018	2019	2020
Permit Valuation:					
New Single-family	$158,444.1	$101,989.5	$121,556.8	$215,616.8	$173,602.4
New Multi-family	23,248.1	36,919.7	67,228.8	66,106.0	59,212.2
Res. Alterations/Additions	36,036.0	30,530.9	35,499.2	28,876.0	17,352.3
Total Residential	217,728.2	169,440.0	224,284.8	310,598.8	250,166.9
New Commercial	66,119.3	84,944.6	87,193.3	107,134.4	106,474.3
New Industrial	1,200.0	29,816.7	10,324.1	4,106.3	1,288.0
New Other	31,119.8	13,414.8	20,434.9	14,368.4	14,676.5
Alterations/Additions	26,781.0	42,268.7	72,482.8	104,473.7	42,076.4
Total Nonresidential	125,200.1	170,444.8	190,435.1	230,082.8	164,515.2
New Dwelling Units					
Single Family	576	370	400	716	539
Multiple Family	122	159	389	292	503
TOTAL	698	529	789	1,008	1,042

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

[Closing Date]

Board of Trustees
Los Rios Community College District
1919 Spanos Court
Sacramento, California 95825

OPINION: $__________ Los Rios Community College District
(Sacramento County, California)
2022 Refunding General Obligation Bonds

Members of the Board of Trustees:

We have acted as bond counsel to the Los Rios Community College District (the "District") in connection with the issuance by the District of $_________ principal amount of Los Rios Community College District (Sacramento County, California) 2022 Refunding General Obligation Bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Act"), and a resolution adopted by the Board of Trustees of the District (the "Board") on April 20, 2022 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Resolution and in the certified proceedings and other certifications and opinions furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a unified school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding general obligations of the District, and the Boards of Supervisors of Sacramento County, El Dorado County, Yolo County, Solano County and Placer County are obligated under

the laws of the State of California to cause to be levied a tax without limit as to rate or amount upon the taxable property in the District for the payment when due of the principal of and interest on the Bonds.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$______
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)*
2022 Refunding General Obligation Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the Los Rios Community College District (the "**District**") in connection with the issuance and delivery of the captioned bonds (the "**Bonds**"). The captioned Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on April 20, 2022 (the "**Resolution**"). The County of Sacramento, Director of Finance, Sacramento, California, is initially acting as paying agent for the Bonds (the "**Paying Agent**"). The District hereby covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently March 31).

"*Dissemination Agent*" means, initially, Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

**Territory mostly in Sacramento County but includes territory in El Dorado County, Yolo County, Solano County and Placer County.*

"*Paying Agent*" means the County of Sacramento, Director of Finance, Sacramento, California, or any successor thereto.

"*Participating Underwriter*" means the original Underwriter or Underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2023 with the report for the 2021-22 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District in a timely manner shall provide (or cause the Dissemination Agent to provide) notice to the MSRB, in an electronic format in a form as prescribed by the MSRB, with a copy to the Paying Agent and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the

Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year or, if available at the time of filing, the then-current fiscal year:

(i) assessed valuation of taxable properties in the District for the most recently completed fiscal year, or if available, the current fiscal year;

(ii) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year, of if available, the current fiscal year;

(iii) if the District's general obligation bond levies are not included in the County of Sacramento's Teeter Plan, property tax collection delinquencies for the District for the most recently completed Fiscal Year only if available from the County at the time of filing the Annual Report; and

(iv) the District's most recently adopted budget or interim report available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.

(15) Incurrence of a financial obligation (defined in subparagraph (e) below) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy

Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (a)(16), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2022

LOS RIOS COMMUNITY COLLEGE DISTRICT

By: ____________________________________
Name: __________________________________
Title: ___________________________________

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this APPENDIX, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

SACRAMENTO COUNTY INVESTMENT POOL

INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT

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SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2022

Approved by the Sacramento County Board of Supervisors

December 7, 2021
Resolution No. 2021-0770

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SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2022

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

D. Maximum Rate of Return

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

V. Pooled Investment Fund Investors

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts and joint powers authorities whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

VI. Implementation

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually at a public meeting.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.

VII. Internal Controls

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

All securities purchased, with the exception of bank deposits, money market mutual funds, and LAIF, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Oversight

Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all funds held in separate portfolios.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment

Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity except for securities issued by, or backed by, the United States government during a period of negative market interest rates. Prohibited investments shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor’s, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer’s long-term credit ratings shall be at or above A by Standard & Poor’s, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor’s, MIG1 by Moody’s, and, if available, F1 by Fitch. In addition, domestic banks are limited to those with a Fitch Viability rating of a or better, without regard to modifiers. The Investment Group is granted the authority to specify approved California banks with Fitch Viability ratings of bbb+ but they must have a Support rating of 1. Foreign banks with domestic licensed offices must have a Sovereign rating of AAA from Standard and Poor’s, Moody’s, or Fitch and a Fitch Viability rating of a or better, without regard to modifiers; however, a foreign bank may have a Fitch Viability rating of bbb+ but they must have a Support rating of 1. Domestic savings banks must have a Fitch Viability rating of a or better, without regard to modifiers, or may have a rating of bbb+ but they must a Support rating of 1.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	**<u>Banks</u>** — FDIC Insurance Coverage
	<u>Credit Unions</u> — NCUSIF Insurance Coverage *Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.*

Maximum Amount	Minimum Requirements		
Over the FDIC- or NCUSIF-insured limit	*(Any 2 of 3 ratings)* S&P: A-2 Moody's: P-2 Fitch: F-2 Collateral is required	***OR***	Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.

Eligible banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from their federal regulator. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must either have a letter of credit issued by the Federal Home Loan Bank of San Francisco or place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate a commitment to community reinvestment lending and charitable activities comparable to what is required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars ($1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor's, Moody's, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as U.S. Treasury and Agency obligations, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations..5 years
Washington Supranational Obligations[1]..5 years
Municipal Notes..5 years
Registered State Warrants ....5 years

[1] The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	180 days
CRA Bank Deposit/Certificates of Deposit	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations	180 days

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than U.S. Treasury and Agency obligations. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes	80%
Registered State Warrants	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations	30%
Negotiable Certificates of Deposit and CRA Deposit/Certificates of Deposit	30%
Repurchase Agreements	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes	30%
Money Market Mutual Funds	20%
Collateralized Mortgage Obligations	20%
Local Agency Investment Fund (LAIF)	(per State limit)

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

Excluding U.S. Treasury and Agency obligations, no more than 10% of the portfolio, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasury and Agency obligations with a market value of 102% for collateral marked to market daily; or (2) money market instruments on the Approved Lists of the County that meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be U.S. Treasury and Agency obligations valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of $90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions that support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities that have been placed on the Approved List of brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers that have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group, named by the Director of Finance, shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Board of Supervisors, the Oversight Committee, and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. The report will also be posted on the Department of Finance website. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of $50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation is $520 for the period January 1, 2021, to December 31, 2022. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings				
Rating Interpretation	**Moody's**	**S&P**	**Fitch**	**Fitch Viability Rating**
Best-quality grade	Aaa	AAA	AAA	aaa
High-quality grade	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-	aa+ aa aa-
Upper Medium Grade	A1 A2 A3	A+ A A-	A+ A A-	a+ a a-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-	bbb+ bbb bbb-
Speculative Grade	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-	bb+ bb bb-
Low Grade	B1 B2 B3	B+ B B-	B+ B B-	b+ b b-
Poor Grade to Default	Caa	CCC+	CCC	ccc
In Poor Standing	- -	CCC CCC-	- -	
Highly Speculative Default	Ca C	CC -	CC -	cc c
Default	- - -	- - D	DDD DD D	f f f

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	**Moody's**	**S&P**	**Fitch**
Superior Capacity	MIG-1	SP-1+/SP-1	F1+/F1
Strong Capacity	MIG-2	SP-2	F2
Acceptable Capacity	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings			
Rating Interpretation	**Moody's**	**S&P**	**Fitch**
Superior Capacity	P-1	A-1+/A-1	F1+/F1
Strong Capacity	P-2	A-2	F2
Acceptable Capacity	P-3	A-3	F3

Fitch Support Ratings	
Rating	*Interpretation*
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a Long-Term Rating floor in the 'BBB' category.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a Long-Term Rating floor in the 'BB' category.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B+' or 'B'.
5	A bank for which there is a possibility of external support, but it cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

Quarterly Pooled Investment Fund Report

As Prescribed By
California Government Code Section 53646

For The Quarter Ended March 31, 2022

Compliance to Investment Policy

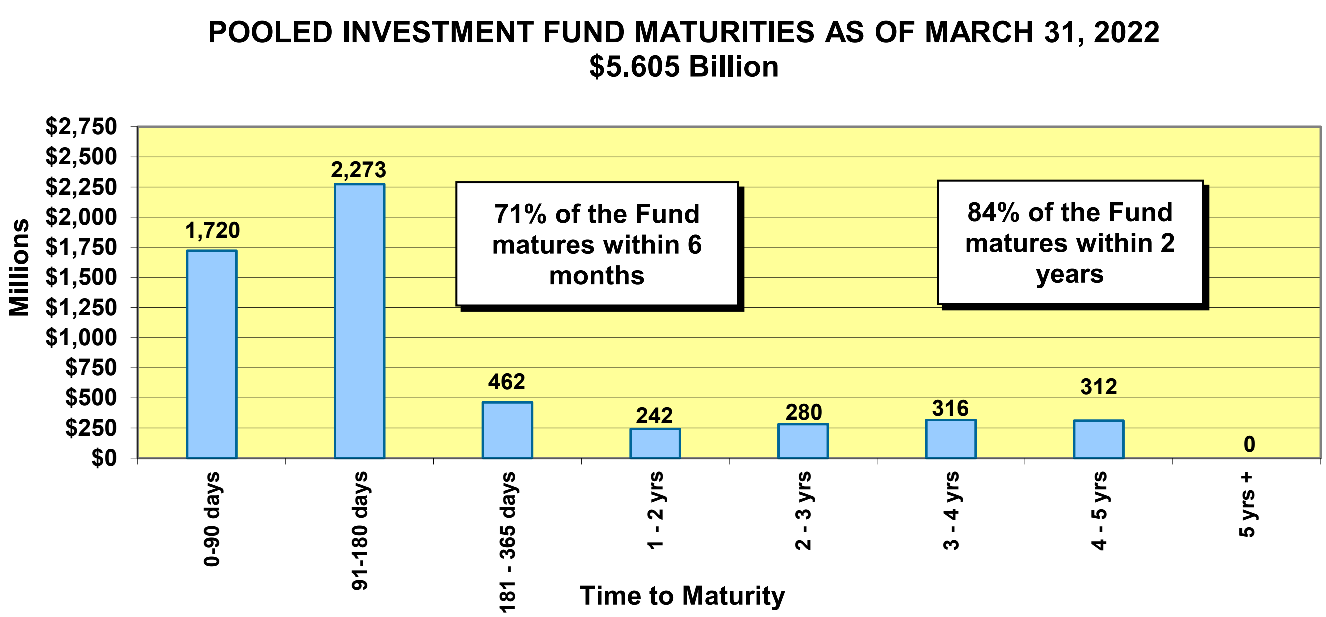
Based on the Director of Finance's Review Group Month-End Reports, there were no items out of compliance with the Calendar Year 2022 Investment Policy during the quarter ended March 31, 2022.

Portfolio Statistics	Quarter Ended 12/31/21	Quarter Ended 03/31/22
Average Daily Balance	$4,600,047,635	$5,410,364,293
Period-End Balance	$5,541,993,595	$5,605,042,093
Earned Interest Yield	0.590%	0.617%
Weighted Average Maturity	315 Days	314 Days
Duration in Years	0.850	0.802
Amortized Book Value	$5,540,453,717	$5,602,702,540
Market Value	$5,550,428,490	$5,563,054,857
Percent of Market to Cost	100.18%	99.29%

The earned interest yield presented above does not have any costs deducted. The investment management costs in prior years and this year continue to be approximately 8 basis points or 0.08%. The quarterly apportionment of earnings to participating funds will be made on a cash basis (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund's cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the Pool will be converted to an accrual basis for the fourth quarter earnings' allocation.

Portfolio Structure as of March 31, 2022[1]

Investment Description	Percentage of Portfolio at Cost 12/31/21	Percentage of Portfolio at Cost 03/31/2022	Percentage of Portfolio at Market 03/31/2022	Earned Interest Yield at 03/31/2022
US Agency, Treasury & Municipal Notes (USATM):				
US Agency Notes	**26.89%**	**24.53%**	**24.40%**	**0.869%**
Notes/Discount Notes FFCB	*5.99%*	*5.04%*	*5.03%*	*1.277%*
Notes/Discount Notes FHLB	*16.42%*	*15.42%*	*15.43%*	*0.673%*
Notes/Discount Notes FNMA	*3.22%*	*2.83%*	*2.76%*	*1.214%*
Notes/Discount Notes FHLMC	*1.26%*	*1.24%*	*1.19%*	*0.855%*
US Treasury Notes/Discount Notes	**7.73%**	**6.30%**	**6.29%**	**0.193%**
Municipal Notes	**0.69%**	**0.45%**	**0.45%**	**0.590%**
Total USATM	**35.30%**	**31.28%**	**31.14%**	**0.729%**
Repurchase Agreements	**0.00%**	**0.00%**	**0.00%**	**0.000%**
Supranationals	**12.86%**	**12.79%**	**12.54%**	**1.751%**
Commercial Paper	**28.67%**	**33.27%**	**33.51%**	**0.546%**
Certificates of Deposit	**20.03%**	**21.32%**	**21.47%**	**0.496%**
LAIF	**1.35%**	**1.34%**	**1.35%**	**0.365%**
Bank Money Market	**1.79%**	**0.00%**	**0.00%**	**0.000%**
Money Market Accounts	**0.00%**	**0.00%**	**0.00%**	**0.000%**



[1] Percentages may not add up to 100% due to rounding

Projected Cash Flow

Based upon our cash flow model projection dated April 1, 2022, summarized below, we have sufficient cash flow to meet expenditures for the next 12 months.

Month	Bank Balance	Receipts & Maturities	Disbursements	Difference	Less Investments Beyond One Year	Funds Available for Future Cash Flow Needs*
Dollar amounts represented in millions						
Apr	20.0	$1,384.5	$790.7	$593.8	$25.0	$568.8
May	20.0	$1,682.6	$1,108.7	$573.9	$25.0	$548.9
Jun	20.0	$1,475.0	$909.2	$565.8	$25.0	$540.8
Jul	20.0	$1,488.4	$1,164.1	$324.3	$25.0	$299.3
Aug	20.0	$1,530.2	$1,159.6	$370.6	$25.0	$345.6
Sep	20.0	$1,381.5	$928.7	$452.8	$25.0	$427.8
Oct	20.0	$1,014.3	$803.0	$211.3	$25.0	$186.3
Nov	20.0	$890.7	$828.1	$62.6	$25.0	$37.6
Dec	20.0	$1,750.5	$902.6	$847.9	$25.0	$822.9
Jan	20.0	$889.7	$1,191.7	($302.0)	$25.0	($327.0)
Feb	20.0	$762.5	$715.8	$46.7	$25.0	$21.7
Mar	20.0	$874.5	$839.9	$34.6	$25.0	$9.6

***Any excess net cash flow amounts in this column will be used to fund negative cash flow positions in later months.**

Detailed Listing of Investments

A complete detailed listing of all investments for the Pooled Investment Fund as of March 31, 2022, is contained in the back of this report. This report notes the type of investment; name of the security; the CUSIP; the purchase date; the maturity date; the coupon and the yield; the par value, book value and market value of each security; the pricing source for the market value; and the duration of each security.

External third-party investment manager(s) at March 31, 2022:

Investment	Firm	Amount
Local Agency Investment Fund	State Treasurer's Office	$75,000,000.00

The Fund uses an external investment accounting system called APS2 by FIS AvantGard. The market valuations are based upon the pricing of Interactive Data Corporation (IDC).

THIS COMPLETES THE QUARTERLY REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE § 53646.

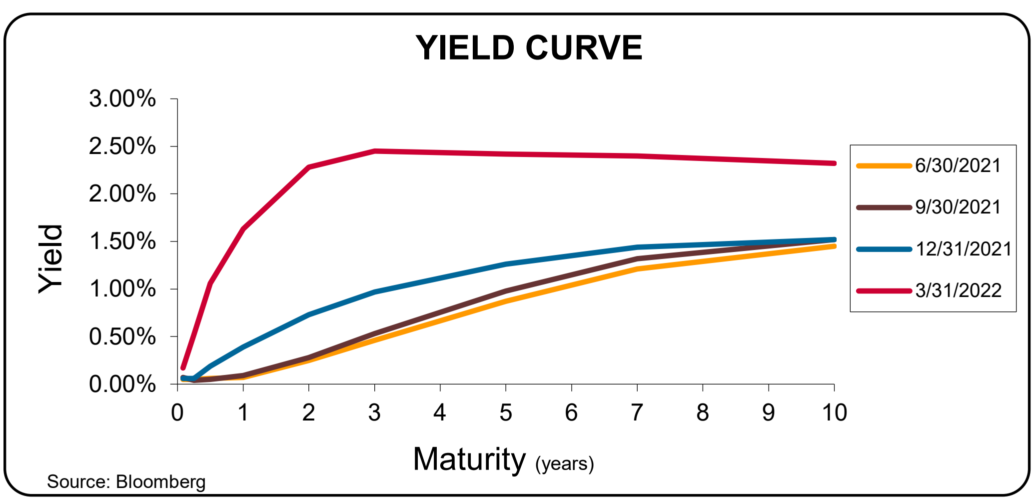
Financial Markets Commentary

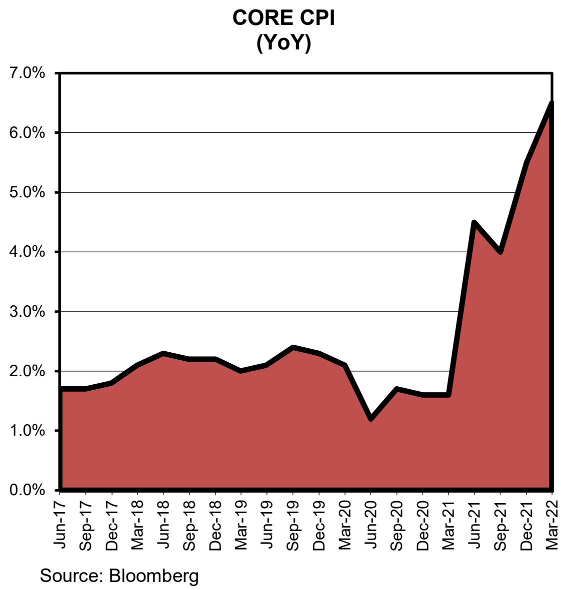
On March 16, 2022, the Federal Open Market Committee (FOMC) raised the federal funds rate by 0.25% to a range of 0.25% to 0.50%. It was their first rate hike since December 2018 and the first change to the overnight rate since the onset of the global pandemic in March 2020. The FOMC voted 8-1 for the rake hike with the lone dissenter seeking a 0.50% rate hike. The FOMC also increased their forecast for the year-end overnight rate to 1.875%, a huge change from their December 2021 forecast of 0.875%. The FOMC has clearly changed their focus from pandemic stimulus to "overheating" inflation expectations.

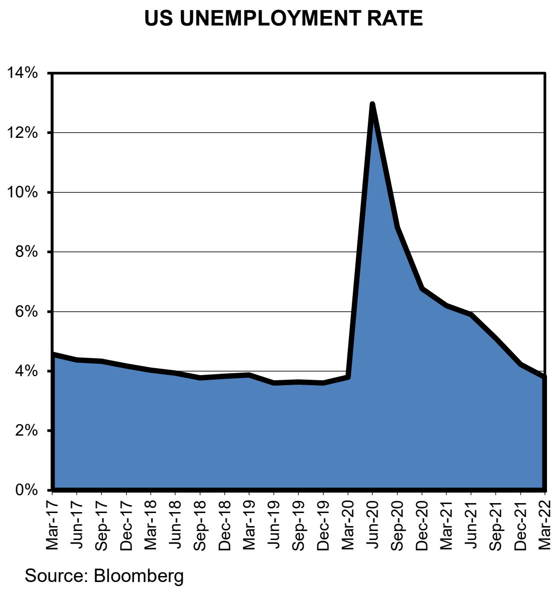
In prepared remarks after the FOMC meeting, Chairman Powell said the committee will take the necessary steps to ensure inflation does not get entrenched and expects pricing pressures to ease in the second half of 2022. He also described the labor market as extremely tight. The FOMC minutes also revealed their plans to reduce the Fed's $9 trillion balance sheet to further ease inflationary pressures. The plan is to begin Quantitative Tightening (QT) by allowing a set amount of US Treasuries and mortgage-backed securities to roll off monthly and ultimately reduce the balance sheet by a maximum of $1.15 trillion annually. The March FOMC minutes also revealed the committee preferred a 0.50% Fed Funds increase but decided on 0.25% because of the uncertainty around Russia's invasion of Ukraine.

US Consumers are facing the largest rise in prices in over 40 years with the Consumer Price Index (CPI) increasing to 8.5% year-over-year in March, the highest reading since 1981. March Core CPI, which excludes volatile food and energy prices, also rose to a 40-year high of 6.5% year-over-year, significantly in excess of the FOMC target rate of inflation of 2%. The US added close to half a million jobs in March with the unemployment rate falling to 3.6%, near its pre-pandemic low. Wage growth also accelerated, jumping 5.6% year-over-year, contributing to increased inflation expectations.

Bond yields continued to climb higher with the two-year Treasury note, historically the most sensitive maturity to FOMC policy, reaching 2.50%. The tremendous increase in expected federal funds rate increases had pushed the 2 to 10 year yield curve negative for several days hinting that the US economy could be closer to contracting than previously expected. With the both the bond market and the Federal Reserve forecasting several rate hikes and with QT to begin shortly, we should expect the yield on the Pooled Investment Fund to increase for the remainder of the year and into 2023.







Portfolio Management Strategy

During the past quarter, we continued to provide adequate liquidity to meet the cash flow needs of the Pooled Investment Fund participants. We are currently funding the cash flows for December 2022. We are purchasing five-year U. S. Treasury, U.S. Agency, and Washington Supranational securities on a monthly basis for the "CORE" portfolio, which is composed of all securities maturing beyond one year. This laddered structure stabilizes the yield over longer periods. Over the next quarter, our quarterly yield should range between 0.80% and 0.90%.

Respectfully submitted,
Bernard Santo Domingo
Chief Investment Officer

Concur,
Ben Lamera
Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: April 22, 2022

OVERCOM POOL REPORT 1
Portfolio Management
Portfolio Details - Investments
March 31, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
State Pool												
LAIF	57960	LAIF			75,000,000.00	75,000,000.00	75,000,000.00	0.365		0.365	1	
		Subtotal and Average	**75,000,000.00**		**75,000,000.00**	**75,000,000.00**	**75,000,000.00**			**0.365**	**1**	
Certificates of Deposit												
13606CZH0	84341	Canadian Imperial Bank Corp		11/19/2021	55,000,000.00	54,990,595.00	55,000,000.00	0.220		0.223	42	05/13/2022
13606KAL0	84366	Canadian Imperial Bank Corp		12/09/2021	35,000,000.00	34,993,280.00	35,000,000.00	0.310		0.314	66	06/06/2022
13606KAY2	84388	Canadian Imperial Bank Corp		12/27/2021	15,000,000.00	14,995,620.00	15,000,000.00	0.310		0.314	74	06/14/2022
20271EXF1	84342	Common Wealth Bank		11/22/2021	50,000,000.00	49,979,100.00	50,000,000.00	0.200		0.203	40	05/11/2022
20271EXG9	84343	Common Wealth Bank		11/22/2021	50,000,000.00	49,977,250.00	50,000,000.00	0.200		0.203	42	05/13/2022
63253T2E7	84499	National Australian Bank		03/15/2022	50,000,000.00	50,008,800.00	50,000,000.00	1.280		1.298	161	09/09/2022
83050PXY0	84344	Skandinaviska		11/23/2021	70,000,000.00	69,974,800.00	70,000,000.00	0.250		0.253	42	05/13/2022
83050PYJ2	84353	Skandinaviska		12/07/2021	45,000,000.00	44,992,935.00	45,000,000.00	0.230		0.233	28	04/29/2022
83050PYM5	84395	Skandinaviska		01/03/2022	50,000,000.00	49,945,700.00	50,000,000.00	0.270		0.274	75	06/15/2022
83050PYS2	84412	Skandinaviska		01/12/2022	70,000,000.00	69,918,240.00	70,000,000.00	0.300		0.304	81	06/21/2022
83050PZR3	84501	Skandinaviska		03/22/2022	35,000,000.00	35,008,190.00	35,000,000.00	1.080		1.095	109	07/19/2022
86959RUT5	84327	Svenska		11/15/2021	60,000,000.00	59,975,160.00	60,000,349.65	0.205		0.203	42	05/13/2022
86959RVK3	84348	Svenska		12/02/2021	50,000,000.00	49,977,000.00	50,000,332.95	0.255		0.253	48	05/19/2022
86959RVP2	84351	Svenska		12/06/2021	100,000,000.00	99,935,200.00	100,000,845.97	0.305		0.304	61	06/01/2022
86959RWJ5	84424	Svenska		01/18/2022	80,000,000.00	79,888,800.00	80,001,086.98	0.375		0.375	98	07/08/2022
89114WLV5	84347	Toronto Dominion		12/01/2021	15,000,000.00	14,995,275.00	15,000,000.00	0.280		0.284	47	05/18/2022
89114WNS0	84387	Toronto Dominion		12/27/2021	15,000,000.00	14,981,175.00	15,000,000.00	0.260		0.264	68	06/08/2022
89114WPR0	84426	Toronto Dominion		01/24/2022	30,000,000.00	29,960,850.00	30,000,000.00	0.450		0.456	95	07/05/2022
89114WQ32	84437	Toronto Dominion		01/31/2022	30,000,000.00	29,968,200.00	30,000,000.00	0.600		0.608	103	07/13/2022
89114WQV0	84445	Toronto Dominion		02/07/2022	10,000,000.00	9,987,090.00	10,000,000.00	0.690		0.700	124	08/03/2022
89114WRJ6	84466	Toronto Dominion		02/18/2022	25,000,000.00	24,965,500.00	25,000,000.00	0.820		0.831	138	08/17/2022
89114WRN7	84467	Toronto Dominion		02/22/2022	15,000,000.00	14,979,300.00	15,000,000.00	0.820		0.831	138	08/17/2022
89114WT47	84502	Toronto Dominion		03/22/2022	10,000,000.00	9,999,510.00	10,000,000.00	1.380		1.399	167	09/15/2022
89114WTF2	84512	Toronto Dominion		03/28/2022	20,000,000.00	20,001,240.00	20,000,000.00	1.450		1.470	174	09/22/2022
96130ALY2	84459	Westpac Bank		02/16/2022	50,000,000.00	49,911,750.00	49,989,187.65	0.670		0.740	130	08/09/2022
96130AMM7	84496	Westpac Bank		03/10/2022	50,000,000.00	49,970,150.00	50,000,000.00	1.180		1.196	158	09/06/2022
96130AMN5	84498	Westpac Bank		03/14/2022	50,000,000.00	49,977,450.00	50,000,000.00	1.230		1.247	161	09/09/2022
		Subtotal and Average	**1,064,507,287.97**		**1,135,000,000.00**	**1,134,258,160.00**	**1,134,991,803.20**			**0.514**	**85**	
CRA CDs												
SYS84066	84066	Five Star Bank		04/22/2021	10,000,000.00	10,000,000.00	10,000,000.00	0.200		0.200	20	04/21/2022
SYS84072	84072	Five Star Bank		04/29/2021	10,000,000.00	10,000,000.00	10,000,000.00	0.200		0.200	27	04/28/2022

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CRA CDs												
SYS84083	84083	Bank of the West		05/07/2021	20,000,000.00	20,000,000.00	20,000,000.00	0.120		0.120	35	05/06/2022
SYS84069	84069	East West		04/26/2021	20,000,000.00	20,000,000.00	20,000,000.00	0.150		0.152	24	04/25/2022
		Subtotal and Average	**60,000,000.00**		**60,000,000.00**	**60,000,000.00**	**60,000,000.00**			**0.157**	**28**	
Commercial Paper Disc. -At Cost												
02314QH85	84438	AMAZON INC		02/01/2022	50,000,000.00	49,835,150.00	49,869,444.44	0.500		0.508	129	08/08/2022
02314QHC6	84439	AMAZON INC		02/01/2022	75,000,000.00	74,741,250.00	74,800,000.00	0.500		0.508	133	08/12/2022
02314QKE8	84507	AMAZON INC		03/24/2022	50,000,000.00	49,664,000.00	49,668,500.00	1.170		1.194	196	10/14/2022
02314QKH1	84508	AMAZON INC		03/24/2022	50,000,000.00	49,654,150.00	49,663,625.00	1.170		1.194	199	10/17/2022
02314QKL2	84509	AMAZON INC		03/24/2022	50,000,000.00	49,643,900.00	49,658,750.00	1.170		1.194	202	10/20/2022
06366HED5	84326	Bank of Montreal		11/15/2021	55,000,000.00	54,967,990.00	54,945,305.56	0.200		0.206	42	05/13/2022
06366HF36	84363	Bank of Montreal		12/09/2021	35,000,000.00	34,963,110.00	34,953,800.00	0.270		0.278	63	06/03/2022
06366HF77	84385	Bank of Montreal		12/27/2021	15,000,000.00	14,982,015.00	14,983,125.00	0.250		0.257	67	06/07/2022
06366HG19	84393	Bank of Montreal		01/03/2022	30,000,000.00	29,932,530.00	29,953,758.33	0.310		0.319	91	07/01/2022
06366HGB7	84398	Bank of Montreal		01/06/2022	25,000,000.00	24,934,125.00	24,954,791.67	0.350		0.360	101	07/11/2022
06366HG19	84401	Bank of Montreal		01/10/2022	45,000,000.00	44,898,795.00	44,926,900.00	0.340		0.350	91	07/01/2022
06366HJ65	84477	Bank of Montreal		03/02/2022	15,000,000.00	14,918,520.00	14,931,066.67	0.880		0.896	158	09/06/2022
06366HK30	84500	Bank of Montreal		03/18/2022	50,000,000.00	49,639,100.00	49,640,694.44	1.300		1.327	185	10/03/2022
06366HKR7	84511	Bank of Montreal		03/28/2022	20,000,000.00	19,827,360.00	19,824,166.67	1.500		1.534	207	10/25/2022
13609CG13	84394	Canadian Imperial Bank Corp		01/03/2022	30,000,000.00	29,953,758.33	29,953,758.33	0.310		0.319	91	07/01/2022
13609CGN5	84400	Canadian Imperial Bank Corp		01/07/2022	90,000,000.00	89,828,500.00	89,828,500.00	0.350		0.356	112	07/22/2022
13609CHK0	84442	Canadian Imperial Bank Corp		02/02/2022	55,000,000.00	54,818,500.42	54,818,500.42	0.600		0.610	140	08/19/2022
47816GG60	84414	JOHNSON & JOHNSON		01/13/2022	50,000,000.00	49,886,450.00	49,929,916.67	0.290		0.294	96	07/06/2022
47816GH51	84450	JOHNSON & JOHNSON		02/08/2022	75,000,000.00	74,750,475.00	74,788,625.00	0.570		0.578	126	08/05/2022
47816GHN2	84472	JOHNSON & JOHNSON		02/23/2022	50,000,000.00	49,800,000.00	49,812,500.00	0.750		0.763	143	08/22/2022
46590ED13	84273	JP Morgan		10/04/2021	125,000,000.00	124,998,875.00	124,919,201.39	0.130		0.134	0	04/01/2022
46590ED47	84277	JP Morgan		10/06/2021	50,000,000.00	49,998,150.00	49,965,000.00	0.140		0.144	3	04/04/2022
46640QGC9	84399	JP Morgan		01/06/2022	15,000,000.00	14,955,405.00	14,972,729.17	0.350		0.360	102	07/12/2022
46640QH12	84434	JP Morgan		01/27/2022	40,000,000.00	39,845,440.00	39,886,333.33	0.550		0.558	122	08/01/2022
46640QHF1	84462	JP Morgan		02/16/2022	40,000,000.00	39,818,080.00	39,836,000.00	0.820		0.834	136	08/15/2022
46640QJ69	84479	JP Morgan		03/02/2022	5,000,000.00	4,971,005.00	4,977,022.22	0.880		0.896	158	09/06/2022
63763QH26	84458	National Securities		02/15/2022	50,000,000.00	49,814,850.00	49,836,666.67	0.700		0.712	123	08/02/2022
63763QHQ3	84473	National Securities		02/25/2022	50,000,000.00	49,761,550.00	49,815,000.00	0.740		0.753	145	08/24/2022
63763QJ16	84474	National Securities		02/25/2022	50,000,000.00	49,739,050.00	49,801,555.56	0.760		0.774	153	09/01/2022
63763QJ24	84475	National Securities		02/28/2022	65,000,000.00	64,656,605.00	64,744,766.67	0.760		0.774	154	09/02/2022
63763QJ16	84476	National Securities		03/01/2022	50,000,000.00	49,739,050.00	49,805,777.78	0.760		0.774	153	09/01/2022

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Commercial Paper Disc. -At Cost												
78015DE22	84310	Royal Bank of Canada		11/01/2021	90,000,000.00	89,965,170.00	89,922,650.00	0.170		0.175	31	05/02/2022
78015DE30	84311	Royal Bank of Canada		11/01/2021	50,000,000.00	49,979,750.00	49,956,791.67	0.170		0.175	32	05/03/2022
78015DE63	84312	Royal Bank of Canada		11/02/2021	50,000,000.00	49,976,800.00	49,956,319.44	0.170		0.175	35	05/06/2022
78015DE97	84313	Royal Bank of Canada		11/02/2021	45,000,000.00	44,976,330.00	44,960,050.00	0.170		0.175	38	05/09/2022
78015DF21	84364	Royal Bank of Canada		12/09/2021	35,000,000.00	34,947,465.00	34,954,062.50	0.270		0.278	62	06/02/2022
78015DF96	84389	Royal Bank of Canada		12/27/2021	15,000,000.00	14,973,750.00	14,980,183.33	0.290		0.299	69	06/09/2022
78015DH11	84435	Royal Bank of Canada		01/28/2022	10,000,000.00	9,957,870.00	9,972,763.89	0.530		0.538	122	08/01/2022
89116FF70	84369	Toronto Dominion		12/10/2021	25,000,000.00	24,966,700.00	24,966,437.50	0.270		0.278	67	06/07/2022
89116FJ68	84478	Toronto Dominion		03/02/2022	10,000,000.00	9,941,700.00	9,955,088.89	0.860		0.876	158	09/06/2022
89116FJ76	84480	Toronto Dominion		03/03/2022	25,000,000.00	24,852,550.00	24,873,361.11	0.970		0.989	159	09/07/2022
89116FJG6	84481	Toronto Dominion		03/07/2022	60,000,000.00	59,609,340.00	59,639,733.33	1.120		1.143	168	09/16/2022
		Subtotal and Average	**1,772,354,686.79**		**1,870,000,000.00**	**1,864,085,163.75**	**1,864,603,222.65**			**0.557**	**107**	
Federal Agency Coupon Securities												
3133EHTS2	81702	Federal Farm Credit Bank		08/09/2017	20,000,000.00	20,076,520.00	20,000,319.62	1.900		1.895	124	08/03/2022
3133EHYR8	81773	Federal Farm Credit Bank		09/14/2017	20,000,000.00	20,077,520.00	19,991,553.31	1.750		1.849	165	09/13/2022
3133EJ3Q0	82710	Federal Farm Credit Bank		12/21/2018	20,000,000.00	20,258,780.00	20,007,364.22	2.875		2.852	629	12/21/2023
3133EKQU3	83095	Federal Farm Credit Bank		06/26/2019	20,000,000.00	19,866,380.00	20,030,669.50	1.950		1.877	804	06/13/2024
3133EKA63	83207	Federal Farm Credit Bank		08/23/2019	20,000,000.00	19,669,400.00	20,020,924.37	1.600		1.554	868	08/16/2024
3133EK6J0	83312	Federal Farm Credit Bank		11/08/2019	20,000,000.00	19,610,740.00	19,902,968.44	1.625		1.821	952	11/08/2024
3133ELKA1	84107	Federal Farm Credit Bank		05/20/2021	35,802,000.00	34,763,204.97	37,044,121.76	1.750		0.823	1,398	01/28/2026
313379Q69	81600	Federal Home Loan Bank		06/13/2017	20,000,000.00	20,062,260.00	20,008,639.40	2.125		1.888	70	06/10/2022
3130ABS23	81662	Federal Home Loan Bank		07/14/2017	20,000,000.00	20,071,680.00	20,000,000.00	2.000		2.000	104	07/14/2022
3130A3KM5	81952	Federal Home Loan Bank		12/12/2017	20,000,000.00	20,152,700.00	20,033,651.82	2.500		2.240	252	12/09/2022
313383YJ4	82646	Federal Home Loan Bank		11/27/2018	20,000,000.00	20,358,780.00	20,089,280.88	3.375		3.038	525	09/08/2023
3130A0F70	82743	Federal Home Loan Bank		01/09/2019	20,000,000.00	20,350,660.00	20,200,951.66	3.375		2.734	616	12/08/2023
3130A1XJ2	83117	Federal Home Loan Bank		07/10/2019	20,000,000.00	20,184,980.00	20,380,541.66	2.875		1.964	805	06/14/2024
3130A2UW4	83226	Federal Home Loan Bank		09/16/2019	20,000,000.00	20,191,000.00	20,500,546.04	2.875		1.802	896	09/13/2024
3130A2UW4	83275	Federal Home Loan Bank		10/16/2019	20,000,000.00	20,191,000.00	20,551,062.82	2.875		1.698	896	09/13/2024
3130A3GE8	83375	Federal Home Loan Bank		12/13/2019	20,000,000.00	20,150,300.00	20,522,288.00	2.750		1.736	987	12/13/2024
3130AQF65	84383	Federal Home Loan Bank		12/22/2021	25,000,000.00	23,644,975.00	24,934,755.29	1.250		1.307	1,725	12/21/2026
3137EAEP0	83527	Federal Home Loan Mtg Corp		02/28/2020	20,000,000.00	19,441,320.00	20,182,505.49	1.500		1.171	1,048	02/12/2025
3137EAEU9	84141	Federal Home Loan Mtg Corp		06/22/2021	50,000,000.00	46,567,300.00	49,432,137.51	0.375		0.724	1,207	07/21/2025
3135G0T45	81532	Federal National Mtg Assn		05/09/2017	20,000,000.00	20,003,740.00	19,999,725.48	1.875		2.005	4	04/05/2022
3135G0T78	81842	Federal National Mtg Assn		10/18/2017	20,000,000.00	20,084,840.00	19,996,968.68	2.000		2.031	187	10/05/2022
3135G0T78	81868	Federal National Mtg Assn		11/06/2017	20,000,000.00	20,084,840.00	19,993,696.78	2.000		2.065	187	10/05/2022

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Federal Agency Coupon Securities												
3135G05X7	84024	Federal National Mtg Assn		03/25/2021	50,000,000.00	46,531,400.00	49,407,168.30	0.375		0.730	1,242	08/25/2025
3135G04Z3	84145	Federal National Mtg Assn		06/25/2021	50,000,000.00	46,860,450.00	49,676,005.17	0.500		0.705	1,173	06/17/2025
		Subtotal and Average	**599,395,693.89**		**590,802,000.00**	**579,254,769.97**	**592,907,846.20**			**1.584**	**807**	
Federal Agency Disc. -At Cost												
313313D96	84436	Federal Farm Credit Bank		01/28/2022	76,000,000.00	75,709,072.00	75,782,133.33	0.480		0.487	152	08/31/2022
313313R59	84513	Federal Farm Credit Bank		03/29/2022	50,000,000.00	49,567,450.00	49,605,486.11			1.195	244	12/01/2022
313385ZR0	84365	Federal Home Loan Bank		12/09/2021	200,000,000.00	199,529,400.00	199,837,500.00	0.130		0.134	112	07/22/2022
313385ZR0	84367	Federal Home Loan Bank		12/09/2021	100,000,000.00	99,764,700.00	99,918,750.00	0.130		0.134	112	07/22/2022
313385XX9	84378	Federal Home Loan Bank		12/14/2021	50,000,000.00	49,939,950.00	49,969,097.22	0.125		0.127	70	06/10/2022
313385YE0	84380	Federal Home Loan Bank		12/17/2021	30,000,000.00	29,960,370.00	29,979,980.00	0.132		0.134	77	06/17/2022
313385A30	84390	Federal Home Loan Bank		12/29/2021	200,000,000.00	199,387,000.00	199,832,777.78	0.140		0.144	122	08/01/2022
313385N51	84510	Federal Home Loan Bank		03/25/2022	75,000,000.00	74,454,825.00	74,493,979.17			1.112	220	11/07/2022
		Subtotal and Average	**676,941,990.35**		**781,000,000.00**	**778,312,767.00**	**779,419,703.61**			**0.331**	**133**	
Treasury Coupon Securities												
9128283D0	84269	U.S. Treasury		09/29/2021	50,000,000.00	49,699,200.00	52,154,310.73	2.250		0.565	944	10/31/2024
912828XG0	84346	U.S. Treasury		11/30/2021	75,000,000.00	75,287,100.00	75,378,824.65	2.125		0.088	90	06/30/2022
		Subtotal and Average	**127,630,504.45**		**125,000,000.00**	**124,986,300.00**	**127,533,135.38**			**0.283**	**439**	
Treasury Discounts -At Cost												
912796K57	84354	U.S. Treasury		12/08/2021	125,000,000.00	124,780,625.00	124,901,597.22	0.130		0.134	104	07/14/2022
912796R43	84384	U.S. Treasury		12/23/2021	100,000,000.00	99,892,500.00	99,920,627.78	0.157		0.162	83	06/23/2022
		Subtotal and Average	**246,592,305.64**		**225,000,000.00**	**224,673,125.00**	**224,822,225.00**			**0.146**	**95**	
Supra-National												
4581X0DA3	82020	Inter-American Dev Bank		01/18/2018	20,000,000.00	20,124,800.00	20,002,685.04	2.500		2.482	292	01/18/2023
4581X0DA3	82091	Inter-American Dev Bank		02/16/2018	20,000,000.00	20,124,800.00	19,957,273.93	2.500		2.788	292	01/18/2023
45818WBX3	82399	Inter-American Dev Bank		07/26/2018	20,000,000.00	20,197,700.00	19,977,219.25	2.870		2.965	475	07/20/2023
45818WBY1	82496	Inter-American Dev Bank		09/11/2018	20,000,000.00	20,223,220.00	20,003,458.03	2.960		2.946	502	08/16/2023
4581X0DF2	82832	Inter-American Dev Bank		02/22/2019	20,000,000.00	20,105,400.00	19,994,880.95	2.625		2.640	655	01/16/2024
45818WCJ3	82938	Inter-American Dev Bank		04/12/2019	20,000,000.00	19,989,100.00	19,990,252.82	2.375		2.401	739	04/09/2024
45818WCJ3	83027	Inter-American Dev Bank		05/23/2019	20,000,000.00	19,989,100.00	20,018,390.71	2.375		2.326	739	04/09/2024
45818WBW5	83103	Inter-American Dev Bank		06/22/2018	20,000,000.00	20,218,940.00	20,000,000.00	2.976		2.976	440	06/15/2023
45818WDA1	84016	Inter-American Dev Bank		03/11/2021	25,000,000.00	23,542,075.00	24,943,456.36	0.800		0.859	1,433	03/04/2026

OVERCOM POOL REPORT 1
Portfolio Management
Portfolio Details - Investments
March 31, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
Supra-National												
4581X0CU0	84135	Inter-American Dev Bank		06/18/2021	25,000,000.00	24,388,750.00	26,127,222.39	2.000		0.892	1,523	06/02/2026
45818WDJ2	84240	Inter-American Dev Bank		09/09/2021	10,000,000.00	9,298,480.00	9,976,010.85	0.800		0.856	1,601	08/19/2026
4581X0EB0	84421	Inter-American Dev Bank		01/13/2022	25,000,000.00	23,888,900.00	24,950,731.67	1.500		1.543	1,748	01/13/2027
4581X0EB0	84446	Inter-American Dev Bank		02/08/2022	25,000,000.00	23,888,900.00	24,616,285.04	1.500		1.837	1,748	01/13/2027
45818WDL7	84497	Inter-American Dev Bank		03/14/2022	25,000,000.00	24,903,350.00	24,850,873.44	1.780		1.907	1,806	03/12/2027
45905UH23	81508	Int Bk Recon & Develop		04/27/2017	20,000,000.00	19,989,000.00	19,999,841.11	1.930		1.942	26	04/27/2022
45905UT53	82149	Int Bk Recon & Develop		03/20/2018	20,000,000.00	20,193,300.00	19,981,955.04	2.720		2.824	341	03/08/2023
459058FF5	82260	Int Bk Recon & Develop		05/11/2018	20,000,000.00	19,960,400.00	19,768,692.91	1.750		2.941	383	04/19/2023
459058GL1	82547	Int Bk Recon & Develop		10/09/2018	20,000,000.00	20,230,720.00	19,948,870.16	3.000		3.187	544	09/27/2023
459058GQ0	82909	Int Bk Recon & Develop		03/29/2019	20,000,000.00	20,053,660.00	20,071,472.40	2.500		2.307	718	03/19/2024
459058JL8	84059	Int Bk Recon & Develop		04/16/2021	50,000,000.00	46,391,600.00	49,455,075.37	0.500		0.811	1,306	10/28/2025
459058JX2	84163	Int Bk Recon & Develop		07/15/2021	25,000,000.00	23,402,400.00	25,033,196.00	0.875		0.843	1,566	07/15/2026
459058JX2	84201	Int Bk Recon & Develop		08/12/2021	25,000,000.00	23,402,400.00	25,033,418.50	0.875		0.843	1,566	07/15/2026
459058JL8	84259	Int Bk Recon & Develop		09/20/2021	50,000,000.00	46,391,600.00	49,615,119.08	0.500		0.719	1,306	10/28/2025
45950VLV6	82967	Intl Finance Corp		04/20/2018	20,000,000.00	20,000,000.00	20,000,000.00	2.826		2.826	384	04/20/2023
45950VNP7	83447	Intl Finance Corp		01/21/2020	20,000,000.00	19,304,380.00	19,978,159.83	1.680		1.721	1,025	01/20/2025
45950KCP3	83489	Intl Finance Corp		08/28/2018	20,000,000.00	20,181,920.00	20,001,508.36	2.876		2.868	486	07/31/2023
45950VPV2	84057	Intl Finance Corp		04/14/2021	25,000,000.00	23,440,875.00	25,029,503.97	0.970		0.940	1,474	04/14/2026
45950VPX8	84101	Intl Finance Corp		05/14/2021	25,000,000.00	23,400,500.00	24,938,743.86	0.860		0.921	1,504	05/14/2026
45950VQF6	84250	Intl Finance Corp		09/15/2021	15,000,000.00	13,958,715.00	14,989,547.27	0.820		0.836	1,628	09/15/2026
45950KCX6	84280	Intl Finance Corp		10/12/2021	25,000,000.00	23,135,725.00	24,680,443.07	0.750		1.041	1,651	10/08/2026
45950KCX6	84325	Intl Finance Corp		11/15/2021	25,000,000.00	23,135,725.00	24,462,180.98	0.750		1.242	1,651	10/08/2026
		Subtotal and Average	**707,951,597.58**		**720,000,000.00**	**697,456,435.00**	**718,396,468.39**			**1.753**	**1,074**	
Variable Rate Muni												
VRSAC1718	81911	Sacramento County		11/14/2017	996,304.46	996,304.46	996,304.46	0.590		0.598	122	08/01/2022
VRSAC1819	82684	Sacramento County		12/04/2018	1,812,192.20	1,812,192.20	1,812,192.20	0.590		0.598	487	08/01/2023
VRSAC1920	83331	Sacramento County		11/19/2019	3,558,483.81	3,558,483.81	3,558,483.81	0.590		0.598	853	08/01/2024
VRSAC2021	83953	Sacramento County		01/12/2021	6,645,361.43	6,645,361.43	6,645,361.43	0.590		0.598	1,218	08/01/2025
VRSAC2122	84345	Sacramento County		11/16/2021	12,011,996.78	12,011,996.78	12,011,996.78	0.590		0.598	1,585	08/03/2026
		Subtotal and Average	**25,024,338.68**		**25,024,338.68**	**25,024,338.68**	**25,024,338.68**			**0.598**	**1,246**	
Bank Money Market												
BNKOFWEST	84271	Bank of the West		09/29/2021	3,797.26	3,797.26	3,797.26	0.100		0.100	1	
		Subtotal and Average	**41,516,251.52**		**3,797.26**	**3,797.26**	**3,797.26**			**0.100**	**1**	

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		Total and Average	5,396,914,656.88		5,606,830,135.94	5,563,054,856.66	5,602,702,540.37			0.750	314