PRELIMINARY OFFICIAL STATEMENT DATED MAY 23, 2025

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 (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. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$10,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
General Obligation Bonds, 2008 Election
Series F

$45,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2025 Refunding General Obligation Bonds

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

Authority and Purpose. The above-captioned bonds (together, the "Bonds") of the Los Rios Community College District (the "District") of Sacramento County (the "County"), California, designated as the "General Obligation Bonds, 2008 Election, Series F" (the "Series F Bonds"), and the "2025 Refunding General Obligation Bonds" (the "Refunding Bonds") are being issued pursuant to applicable provisions of the State Government Code and two resolutions of the Board of Trustees of the District adopted on April 9, 2025 (referred to herein as the "Series F Bond Resolution" and the "Refunding Bond Resolution", respectively). The Series F Bonds were authorized at an election of the registered voters of the District held on November 4, 2008, which authorized the issuance of $475,000,000 principal amount of general obligation bonds for the purpose of financing the construction, reconstruction and improvement of District facilities (the "2008 Bond Authorization"). The Series F Bonds will be the final series of bonds issued pursuant to the 2008 Bond Authorization. The Refunding Bonds are being issued for the purpose of refinancing certain outstanding general obligation bonds of the District, and to pay related costs of issuance. See "THE FINANCING AND REFINANCING PLAN" and "THE BONDS – Authority for Issuance."

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, 2025. 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."

No Early Redemption. The Bonds are not subject to redemption prior to maturity. See "THE BONDS – No Early 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. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about June 18, 2025.*

RAYMOND JAMES®

The date of this Official Statement is _________, 2025.

**Preliminary, subject to change.*
***Nearly 80% of the District's assessed value is derived from property in Sacramento County. Its boundaries also include territory in other adjacent counties as described herein.*

MATURITY SCHEDULE*

LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**

Base CUSIP†: 545624

General Obligation Bonds, 2008 Election, Series F

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

2025 General Obligation Refunding Bonds

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 (79.4% of total assessed value in fiscal year 2024-25), 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

ESCROW AGENT

U.S. Bank Trust Company, National Association
San Francisco, California

ESCROW VERIFICATION AGENT

Causey Public Finance LLC
Denver, Colorado

**Nearly 80% of the District's fiscal year 2024-25 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

$10,000,000*	$45,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT	**LOS RIOS COMMUNITY COLLEGE DISTRICT**
(Sacramento County, California)**	**(Sacramento County, California)****
General Obligation Bonds, 2008 Election Series F	**2025 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 above-captioned bonds (together, the **"Bonds"**) of the Los Rios Community College District (the "District") of Sacramento County (the **"County"**), California, designated as the "General Obligation Bonds, 2008 Election, Series F" (the **"Series F Bonds"**), and the "2025 Refunding General Obligation Bonds" (the **"Refunding Bonds"**).

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 (79.4% of the District's fiscal year 2024-25 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 2024-25 is over $279 billion. 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 Series F Bonds will be used to finance construction and improvements to District facilities as authorized by more than the requisite 55% of the voters of the District at a bond election held in the District on November 4, 2008 (the **"Bond Election"**). The net proceeds of the Refunding Bonds will be used to provide funds to refinance on a current basis certain outstanding general obligation bonds of the District, and to pay related costs of issuance. See "THE FINANCING AND REFINANCING PLAN" herein.

**Preliminary; subject to change.*
***79.46% of the District's fiscal year 2024-25 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.*

Authority for Issuance of the Bonds. The Bonds will be issued pursuant to applicable provisions of the California Government Code and two separate resolutions adopted by the Board of Trustees of the District on April 9, 2025 (the **"Series F Bond Resolution"** and the **"Refunding Bonds Resolution"**, respectively). See "THE BONDS - Authority for Issuance" herein.

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."

No Earl Redemption**.** The Bonds are not subject to redemption prior to maturity. See "THE BONDS – Redemption" herein.

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 –Indebtedness - General Obligation Bonds" in APPENDIX A.

Legal Matters. Issuance of the Bonds is subject to the approving opinions of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel (**"Bond Counsel"**), to be delivered in substantially the forms attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the District (**"Disclosure Counsel"**). Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

Tax Matters. In the opinion of Bond Counsel, 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. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and Appendix D hereto for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed in connection with the Bonds. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE" herein.

Cyber Risks. The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings, described in more detail herein. See "CYBER RISKS" 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 Chancellor at Los Rios Community College District, 1919 Spanos Court, Sacramento, California 95825, telephone: 916-568-3021. The District may impose a charge for copying, mailing and handling.

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THE FINANCING AND REFINANCING PLAN

Purpose of the Series F Bonds

The proceeds of the Series F Bonds will be used to finance projects approved by the voters at the Bond Election, which authorized the issuance of $475,000,000 principal amount of general obligation bonds for the purpose of financing the construction and improvement of District educational facilities, together with related costs of issuance, and known as Measure M (the **"2008 Bond Measure"**). The abbreviated form of the 2008 Bond Measure is as follows:

> *Shall the Los Rios Community College District be authorized to issue $475 million in bonds at the lowest available interest rates to improve student academic performance by building classrooms, facilities and labs throughout the district including for teaching green technologies; nursing and health care programs; architecture, engineering and construction management; computer sciences; early childhood development; and fire and police public safety programs at the American River, Cosumnes River, El Dorado, Folsom, and Sacramento City College campuses?*

As part of the measure presented to District voters at the Bond Election, the voters authorized a specific list of projects (the **"Project List"**) eligible to be funded with proceeds of bonds sold pursuant to the 2008 Bond Measure, including the Series F Bonds described herein. The District makes no representation as to the specific application of the proceeds of the Series F Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2008 Bond Measure will provide sufficient funds to complete any particular project listed in the Project List. The Series F Bonds will be the final series of bonds issued pursuant to the authority of the 2008 Bond Measure.

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Purpose of the Refunding Bonds

As described herein, the net proceeds of the Refunding Bonds will be used to refund certain maturities of the District's outstanding general obligation bonds on a current basis, being all outstanding maturities of the following bonds:

- Los Rios Community College District (Sacramento County, California) General Obligation Bonds, 2008 Election, Series C issued on February 8, 2018 in the original aggregate principal amount of $65,000,000 (the **"2008C Bonds"**).

The 2008C Bonds to be refunded (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† (545624)
2026	$4,765,000	4.00%	8/1/2025	100.0%	QD3
2027	5,220,000	4.00	8/1/2025	100.0	QE1
2028	5,600,000	4.00	8/1/2025	100.0	QF8
2029	5,995,000	4.00	8/1/2025	100.0	QG6
2030	6,415,000	3.00	8/1/2025	100.0	QH4
2031	6,850,000	3.00	8/1/2025	100.0	QJ0
2032	7,310,000	3.00	8/1/2025	100.0	QK7
Total	**$42,155,000**				

**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.

Deposit in Escrow Fund

The District will deliver the net proceeds of the Refunding Bonds to U.S. Bank Trust Company, National Association, San Francisco, California, 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 said Refunded Bonds, as set forth above, together with accrued interest to the redemption date identified above.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Public Finance, LLC, Denver, Colorado (the **"Verification Agent"**). See "VERIFICATION OF MATHEMATICAL ACCURACY" herein. 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 applicable 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 described herein.

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	**Series F Bonds**	**Refunding Bonds**
Principal Amount of Bonds		
Plus Net Original Issue Premium		
Total Sources		
Uses of Funds		
Deposit to Building Fund		
Deposit to Debt Service Fund		
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, Escrow Agent, verification agent and the rating agency.

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

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THE BONDS

Authority for Issuance

The Series F Bonds will be issued pursuant to the 2008 Bond Measure and under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, and under the Series F Bond Resolution.

The Refunding Bonds will be issued under 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, commencing with Sections 53550 and 53580 of said Code, and under the Refunding 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, 2025 (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, 2025, 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 Early Redemption

The Bonds are not subject to redemption prior to maturity.

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 Sacramento, California (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 fifteen days prior to an Interest Payment Date until the close of business on the Interest Payment Date.

Defeasance

Each series of 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 applicable Bond Resolution) to pay such Bonds; or

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

Whenever in the applicable 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; 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 of and all unpaid interest to maturity on the Bonds to be paid as such principal and interest become due.

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, 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

Series F Bonds Debt Service. The following table shows the debt service schedule with respect to the Series F Bonds.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Series F Bonds Annual Debt Service Schedule

Bond Year Ending August 1	Series F Principal	Series F Interest	Total
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
Total			

Refunding Bonds Debt Service. The following table shows the debt service schedule with respect to the Refunding Bonds.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Refunding Bonds Annual Debt Service Schedule

Bond Year Ending August 1	Refunding Principal	Refunding Interest	Total
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
Total			

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 –Indebtedness" for additional information.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Combined Debt Service Schedule

Period Ending (Aug. 1)	Outstanding Bonds Annual Debt Service*	Series F Bonds Debt Service	Refunding Bonds Debt Service	Aggregate Annual Debt Service
2025	$67,371,081.44			
2026	69,832,560.00			
2027	51,697,628.00			
2028	29,202,100.00			
2029	25,689,300.00			
2030	26,437,700.00			
2031	25,610,300.00			
2032	26,564,000.00			
2033	20,051,450.00			
2034	20,823,400.00			
2035	21,622,000.00			
2036	3,044,200.00			
2037	3,152,000.00			
2038	3,262,400.00			
2039	3,595,000.00			
2040	5,110,600.00			
2041	5,284,800.00			
2042	5,469,850.00			
2043	5,655,150.00			
2044	5,850,400.00			
TOTAL	**$425,325,919.44**			

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

Debt Service Funds

Pursuant to the Bond Resolutions, the County will establish Debt Service Funds for the Bonds, respectively, 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 applicable series of Bonds. The Debt Service Funds are pledged by the District for the payment by it of the principal of and interest on the applicable series of 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 applicable Debt Service Fund, and will transfer amounts in said Debt Service Fund to the Paying Agent to the extent necessary to enable the District to pay the principal of and interest on the applicable series of 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.

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.

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 2014-15 to 2024-25

Fiscal Year	Total District Assessed Valuation	Annual % Change
2014-15	$156,423,111,776	--%
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
2022-23	248,534,064,140	7.8
2023-24	266,026,451,446	7.0
2024-25	279,581,904,860	4.0

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to increases or decreases 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 other laws such as tariffs which may impact costs of development, and man-made or natural disasters which include but are not limited to earthquakes, fires/wildfires, floods, drought, mudslides and the consequences of climate change such as heat waves and excessive heat, droughts, sea level rise and floods, which could have an impact on assessed values. The State including the region the District is located has in recent years experienced significant natural disasters such as earthquakes, droughts, wildfires, mudslides and floods. Public health disasters such as the COVID-19 Pandemic could also have direct and indirect impacts on economic conditions and property values.

Future Conditions and Disasters Cannot be Predicted. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters, including health disasters such as the COVID-19 Pandemic, and the effects of climate change, 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 County. The table below shows the assessed value of property within the District by county.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Assessed Valuation by County
Fiscal Year 2024-25

County	Local Secured	Utility	Unsecured	Total
El Dorado County	$ 32,767,326,378	$ 534,150	$ 681,360,167	$ 33,449,220,695
Placer County	136,844,206	0	293,295	137,137,501
Sacramento County	213,681,438,204	17,098,973	8,464,983,805	222,163,520,982
Solano County	39,335,932	0	211,965	39,547,897
Yolo County	22,664,578,194	6,299,590	1,121,600,001	23,792,477,785
Totals	$269,289,522,914	$23,932,713	$10,268,449,233	$279,581,904,860

Source: California Municipal Statistics, Inc.

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 2024-25

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Citrus Heights	$ 9,660,980,372	3.46%	$9,660,980,372	100.00%
City of Davis	11,410,719,334	4.08	$11,410,719,334	100.00%
City of Elk Grove	28,732,411,324	10.28	$28,732,411,324	100.00%
City of Folsom	20,671,394,203	7.39	$20,671,394,203	100.00%
City of Placerville	1,448,030,718	0.52	$1,448,030,718	100.00%
City of Rancho Cordova	13,427,172,477	4.80	$13,427,172,477	100.00%
City of Sacramento	75,506,942,571	27.01	$75,506,942,571	100.00%
City of West Sacramento	10,513,665,297	3.76	$10,513,665,297	100.00%
Unincorporated El Dorado County	32,001,189,977	11.45	$36,859,032,787	86.82%
Unincorporated Placer County	137,137,501	0.05	$46,200,170,393	0.30%
Unincorporated Sacramento County	74,164,620,035	26.53	$81,914,137,194	90.54%
Unincorporated Solano County	39,547,897	0.01	$6,173,272,365	0.64%
Unincorporated Yolo County	1,868,093,154	0.67	$6,391,945,732	29.23%
	$279,581,904,860	100.00%		
Summary by County:				
El Dorado County	$ 33,449,220,695	11.96%	$45,239,545,277	73.94%
Placer County	137,137,501	0.05	$111,145,344,615	0.12%
Sacramento County	222,163,520,982	79.46	$233,232,134,761	95.25%
Solano County	39,547,897	0.01	$73,912,028,752	0.05%
Yolo County	23,792,477,785	8.51	$38,196,440,269	62.29%
Total	$279,581,904,860	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 2024-25

Non-Residential:	2024-25 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$ 1,148,015,186	0.43%	2,018	0.36%
Commercial/Office Buildings	40,142,788,525	14.91	14,884	2.63
Vacant Commercial	1,281,154,422	0.48	2,614	0.46
Industrial	22,438,755,481	8.33	7,211	1.28
Vacant Industrial	1,574,428,024	0.58	3,815	0.67
Recreational	1,290,145,784	0.48	815	0.14
Government/Social/Institutional	577,720,428	0.21	10,654	1.88
Miscellaneous	55,483,086	0.02	7,070	1.25
Subtotal Non-Residential	$68,508,490,936	25.44%	49,081	8.68%
Residential:				
Single Family Residence	$174,988,831,204	64.98%	444,356	78.59%
Condominium/Townhouse	2,839,779,091	1.05	16,986	3.00
Mobile Home	472,117,679	0.18	6,254	1.11
Mobile Home Park	312,472,531	0.12	118	0.02
2-4 Residential Units	4,189,456,722	1.56	19,015	3.36
5+ Residential Units/Apartments	13,376,485,259	4.97	3,555	0.63
Miscellaneous Residential Improvements	587,402,429	0.22	3,201	0.57
Vacant Residential	4,014,487,093	1.49	22,869	4.04
Subtotal Residential	$200,781,032,008	74.56%	516,354	91.32%
Total	$269,289,522,944	100.00%	565,435	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 2024-25 Assessed Valuation of Single-Family Homes

	No. of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	444,356	$174,988,831,204	$393,803	$353,628

2024-25 Assessed Valuation	No. of Parcels [(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	5,598	1.260%	1.260%	$210,702,720	0.120%	0.120%
$50,000 - $99,999	24,105	5.425	6.685	1,844,941,957	1.054	1.175
$100,000 - $149,999	31,775	7.151	13.835	4,001,469,709	2.287	3.461
$150,000 - $199,999	38,060	8.565	22.401	6,673,385,334	3.814	7.275
$200,000 - $249,999	38,911	8.757	31.157	8,749,920,282	5.000	12.275
$250,000 - $299,999	40,329	9.076	40.233	11,088,070,828	6.336	18.612
$300,000 - $349,999	40,683	9.155	49.389	13,211,501,217	7.550	26.162
$350,000 - $399,999	39,488	8.887	58.275	14,799,401,888	8.457	34.619
$400,000 - $449,999	37,039	8.335	66.611	15,721,060,176	8.984	43.603
$450,000 - $499,999	31,691	7.132	73.742	15,020,721,260	8.584	52.187
$500,000 - $549,999	25,215	5.675	79.417	13,215,591,597	7.552	59.739
$550,000 - $599,999	20,717	4.662	84.079	11,884,118,002	6.791	66.530
$600,000 - $649,999	15,892	3.576	87.656	9,912,435,186	5.665	72.195
$650,000 - $699,999	12,711	2.861	90.516	8,562,082,194	4.893	77.088
$700,000 - $749,999	9,514	2.141	92.657	6,887,255,314	3.936	81.024
$750,000 - $799,999	7,076	1.592	94.250	5,472,806,021	3.128	84.151
$800,000 - $849,999	5,415	1.219	95.468	4,460,258,453	2.549	86.700
$850,000 - $899,999	4,142	0.932	96.400	3,618,445,610	2.068	88.768
$900,000 - $949,999	3,129	0.704	97.105	2,890,710,589	1.652	90.420
$950,000 - $999,999	2,304	0.519	97.623	2,244,299,511	1.283	91.703
$1,000,000 and greater	10,562	2.377	100.000	14,519,653,356	8.297	100.000
	444,356	100.000%		$174,988,831,20	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)

	2020-21	2021-22	2022-23	2023-24	2024-25
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Sacramento Unified School District	.1171	.0918	.1280	.1278	.0200
Los Rios Community College District	.0223	.0249	.0226	.0192	.1317
Total	$1.1394	$1.1167	$1.1506	$1.1470	$1.1517

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

	2020-21	2021-22	2022-23	2023-24	2024-25
General	$1.000000	$1.000000	$1.00000	$1.00000	$1.000000
Buckeye Union School District	.019549	.019629	.01856	.01800	.017494
El Dorado Union High School District	.012937	.013761	.01096	.01023	.010405
Los Rios Community College District	.022300	.024900	.02260	.01920	.020000
Total	$1.054786	$1.058290	$1.05212	$1.04743	$1.047899
El Dorado Irrigation District (Land Only)	.000000	.000000	.00000	.000000	.000000

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

	2020-21	2021-22	2022-23	2023-24	2024-25
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Washington Unified School District	.0730	.1148	.1030	.2480	.1425
Los Rios Community College District	.0223	.0249	.0226	.0192	.0200
Total	$1.0953	$1.1397	$1.1256	$1.2672	$1.1625

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

	2020-21	2021-22	2022-23	2023-24	2024-25
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Elverta Joint Unified School District	.0277	.0251	.0198	.0257	.0179
Twin Rivers Unified School District	.0813	.0794	.0656	.0854	.0548
Los Rios Community College District	.0223	.0249	.0226	.0192	.0200
Total	$1.1313	$1.1294	$1.1080	$1.1303	$1.0927

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

	2020-21	2021-22	2022-23	2023-24	2024-25
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Davis Joint Unified School District	.0658	.0668	.0680	.0680	.0680
Solano County Flood Control District	.0200	.0200	.0200	.0200	.0200
Los Rios Community College District	.0223	.0249	.0226	.0192	.0200
Total	$1.1081	$1.1117	$1.1106	$1.1072	$1.1080

(1) Per $100 of assessed valuation.
(2) 2024-25 assessed valuation of TRA 3-005 is $15,419,333,826 which is 6.94% of the District's total assessed valuation.
(3) 2024-25 assessed valuation of TRA 54-135 is $2,732,665,272 which is 1.23% of the District's total assessed valuation.
(4) 2024-25 assessed valuation of TRA 4-039 is $4,418,917,739 which is 1.99% of the District's total assessed valuation.
(5) 2024-25 assessed valuation of TRA 67-004 is $76,035,700 which is 0.03% of the District's total assessed valuation.
(6) 2024-25 assessed valuation of TRA 62-000 is $39,547,897 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.

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
2019-20	$36,104,426	$343,905	0.95%
2020-21	36,848,994	293,235	0.80
2021-22	43,399,676	293,331	0.68
2022-23	42,569,476	362,908	0.85
2023-24	38,892,937	382,781	0.98

(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).

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.

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 2024-25

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total [1]
1.	Intel Corporation	Office Building	$ 752,552,856	0.28%
2.	Oakmont Properties	Apartments	727,176,993	0.27
3.	Ethan Conrad	Office Building	515,394,385	0.19
4.	City of Sacramento & The Sacramento Kings	Sports Arena	389,297,929	0.14
5.	Target Corporation	Commercial Stores	365,724,836	0.14
6.	PW Fund B Development LLC	Industrial	364,514,714	0.14
7.	BRE Delta Industrial Sacramento LP	Industrial	361,061,629	0.13
8.	MP Holdings LLC	Office Building	302,231,287	0.11
9.	PW FUND A-2 LP	Industrial	281,769,936	0.10
10.	Harsch Investment Properties LLC	Industrial	247,429,130	0.09
11.	PF Portfolio 1 LP	Office Building	244,878,136	0.09
12.	Wal Mart Real Estate Business Trust	Commercial Stores	240,307,023	0.09
13.	Ragingwire Data Centers Inc.	Industrial	229,330,682	0.09
14.	CA Sacramento Commons LLC	Apartments	226,002,401	0.08
15.	SRI Eleven 621 Capitol Mall LLC	Office Building	184,459,655	0.07
16.	Broadstone Land	Commercial	169,513,846	0.06
17.	Aerojet Rocketdyne Inc.	Industrial	166,246,889	0.06
18.	Arden Fair Associates	Commercial	164,309,190	0.06
19.	500 Capitol Mall LLC	Office Building	158,092,353	0.06
20.	AB PR QOZB III Property LLC	Apartments	156,220,436	0.06
			$6,246,514,306	2.32%

(1) 2024-25 local secured assessed valuation: $269,289,522,914
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 May 1, 2025

2024-25 Assessed Valuation: $279,581,904,860

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 5/1/25**
Los Rios Community College District	**100.000%**	**$ 347,785,000** (1)
Folsom-Cordova Unified School District School Facilities Improvement Districts	100.000	458,417,177
Elk Grove Unified School District	100.000	419,300,000
Natomas Unified School District	100.000	358,445,000
Sacramento Unified School District	100.000	601,520,440
San Juan Unified School District	100.000	666,713,387
Twin Rivers Unified School District	100.000	73,360,000
Other Unified School Districts	Various	326,260,272
High School and Elementary School Districts	Various	467,719,894
Cameron Community Services District	100.000	4,204,000
Other Special Districts	100.000	33,845,058
Elk Grove Unified School District Community Facilities District No. 1	100.000	181,266,133
City of Folsom Community Facilities Districts	100.000	207,390,000
City of Sacramento Community Facilities Districts	100.000	260,275,000
City of West Sacramento Community Facilities Districts	100.000	85,807,184
Other Community Facilities Districts	100.000	931,170,285
1915 Act and Benefit Assessment Bonds (Estimate)	100.000	511,588,543
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$5,935,067,373

OVERLAPPING GENERAL FUND DEBT:		
Sacramento County General Fund Obligations	95.254%	$ 87,545,231
Sacramento County Pension Obligation Bonds	95.254	293,982,420
Other County Obligations	Various	77,278,101
Sacramento Unified School District Certificates of Participation	100.000	45,680,000
Washington Unified School District General Fund Obligations	100.000	60,206,963
Other Unified School District General Fund Obligations	Various	39,052,513
High School District and School District General Fund Obligations	Various	35,849,269
City of Sacramento General Fund Obligations	100.000	483,465,000
Other City General Fund Obligations	100.000	51,475,516
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	94.229	28,116,049
Special District General Fund Obligations	Various	61,826,562
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,264,477,624
Less: Sacramento County supported obligations		9,103,562
City of Sacramento supported obligations		343,886,741
City of West Sacramento supported obligations		5,252,842
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$906,234,479
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$246,678,083
GROSS COMBINED TOTAL DEBT		$7,446,223,080 (2)
NET COMBINED TOTAL DEBT		$7,087,979,935

Ratios to 2024-25 Assessed Valuation:
Direct Debt ($347,785,000) 0.12%
Total Direct and Overlapping Tax and Assessment Debt 2.12%
Gross Combined Total Debt 2.66%
Net Combined Total Debt 2.54%

Ratios to Redevelopment Incremental Valuation ($31,607,565,882):
Total Overlapping Tax Increment Debt 0.78%

(1) Excludes the Bonds but includes the Refunded Bonds as described herein. See "THE FINANCING AND 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. Interest on the Bonds may be subject to the corporate 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.

Forms of Opinions

Copies of the proposed forms of opinions of Bond Counsel are 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 Regarding Bonds, Existence of District and Related Matters. 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* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

Future Litigation; Other Claims Unrelated to the Bonds. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds and which have arisen or may arise in the normal course of operating a public school district. The District maintains certain insurance policies to minimize its financial risks which provide coverage under certain circumstances and with respect to certain types of incidents. In the opinion of the District, the aggregate amount of uninsured liabilities under existing 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, and Dale Scott & Company, Inc., as Municipal Advisor to the District, is contingent upon issuance of the Bonds.

CYBER RISKS

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information.

The District has never had a major cyber breach that resulted in a financial loss. Efforts the District takes to minimize cyber risks include: an officer of the District fully dedicated to monitor and implement cyber security procedures, multifactor identification and authentication for staff and students, and compliance with best practices recommended by the joint risk pool in which the District participates. The District also has an insurance policy that covers cyber events, within covered limits. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the Counties with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

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, 2026 with the report for the 2024-25 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 –Indebtedness"). In the previous five year period, the District filed a notice of incurrence of a financial obligation in connection with a private placement of 2020 Refunding General Obligation Bonds which were issued on June 11, 2020 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.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay, when due, the principal and interest requirements of the Refunded Bonds. See “THE FINANCING AND REFINANCING PLAN.” The Verification Agent will perform certain calculations to ensure that the Refunding Bonds are not arbitrage bonds within the meaning of the Tax Code.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

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, (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 Sacramento, California.

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

* * * * *

TABLE OF CONTENTS FOR APPENDIX A

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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.*

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 30,671 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 18,941 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 14,831 students at its main campus as well as the Elk Grove Center.

- ***Folsom Lake College ("FLC"),*** 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 Folsom Lake College exceeds 10,141 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."

Accreditation

The District's four colleges are accredited by the Accrediting Commission for Community and Junior Colleges (**"ACCJC"**), a division of the Western Association of Schools and Colleges. Accreditation by the ACCJC is voluntary and designed to evaluate and enforce standards of educational quality and institutional effectiveness. Accreditation is also a form of peer review. ACCJC standards and criteria are developed and implemented by representatives from the member institutions. Accreditation is granted for an unlimited period of time, with a standard provision for an institutional self-study every seven years, along with review and visitation by the Accreditation Commission. Accreditation is granted on the basis of demonstrated evidence that the institution is fulfilling its stated goals and objectives through qualified personnel, sound planning, appropriate programs and services, and adequate resources. The ACCJC is not a governmental agency and has no direct authority over the District's operations.

In 2022 and 2023, the ACCJC reaffirmed all four of the District's colleges as fully accredited institutions, respectively.

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
Kelly Wilkerson, President	4	December 2028
Deborah Ortiz, Vice President	6	December 2026
Dustin Johnson, Trustee	1	December 2026
Robert Jones, Trustee	2	December 2026
John Knight, Trustee	3	December 2028
Dr. Colette Harris-Mathews, Trustee	5	December 2028
Tami Nelson, Trustee	7	December 2028

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.

Recent Enrollment Trends

The following table shows the number of full-time equivalent students for the District for the fiscal years 2014-15 through 2024-25.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Annual Full-Time Equivalent Students
Fiscal Years 2014-15 through 2024-25 (Projected)

	Full-Time Equivalent Students[1]			
Fiscal Year	**Achieved**	**Percentage Change**	**Reported[2]**	**Percentage Change**
2014-15	49,853	--	52,171	--
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	(13.4)
2020-21	42,798	(10.0)	42,798	(3.4)
2021-22	39,870	(6.8)	39,870	(6.8)
2022-23	44,487	11.6	44,487	11.6
2023-24	44,778	0.7	44,441	(0.1)
2024-25[3]	48,682	8.7	45,000	1.3

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

The District's FTE growth in the past few years is attributed in part to post-COVID improvements to its programs including expansion into dual enrollment for high school students.

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 2024-25
Bargaining Organization and Contract Dates

Bargaining Organization	Acronym	Contract Beginning Date	Contract Ending Date	Number of Employees
Los Rios College Federation of Teachers	LRCFT	07/01/23	06/30/26	2,614
Los Rios Classified Employees Association	LRCEA	07/01/21	06/30/25	838
Service Employees International Union	SEIU	07/01/21	06/30/24*	203
Los Rios Supervisors' Association	LRSA	07/01/22	12/31/25**	93

*Parties perform pursuant to expired terms pending settlement. Negotiations are underway for a 3-year term contract.
**Extended from 06/30/25 pursuant to a Memorandum of Understanding.
Source: Los Rios Community College District.

Insurance; Risk Management

The District participates in Statewide Association of Community Colleges ("**SWACC**"), a risk pooling solution, for excess coverage at a Member Retained Limit ("**MRL**") of $250,000 per occurrence for property and $1,000,000 per occurrence for liability. The District self-insures its property claims up to $100,000 per occurrence and liability claims up to $250,000 per occurrence. SWACC pools for the first $250,000 of a property loss including the MRL and purchases reinsurance for property claims up to $235,000,000 in excess of $15,250,000. SWACC pools for the first $1,000,000 of a liability loss including the MRL and purchases reinsurance for liability claims up to $24 million excess of $1 million including member's MRL. SWACC also offers members of the program an additional $25 million in excess liability coverage for excess liability limits to $50 million. The District is self-insured for workers' compensation claims on the first $500,000 of each claim.

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.

The District's insurance policies also provide coverage for cyber-security incidents. For more information regarding the JPA, see Note 10 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 receive, on average, approximately 52% of their funds from the State's general fund, approximately 44% from local sources being the District's share of the county-wide property tax and revenues derived from District operations such as student fees and sales, and approximately 4% from federal sources in the form of grants and transfers. 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. Because such a large portion of a community college district's funding is derived from State sources, increases or decreases in State revenues or in State legislative appropriations made to fund higher education may significantly affect the District's revenues and operations. See information herein regarding the State budget under the caption "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Prior Funding Formula – Funding System Established by SB 361. From 2006-07 to 2017-18, California community college districts were funded pursuant to the provisions of Senate Bill 361 ("**SB 361**"). Under SB 361, general apportionment revenues to community college districts were allocated based on criteria developed by the Board of Governors of the California Community Colleges in accordance with prescribed statewide minimum requirements. Annual allocations were based on the number of colleges and comprehensive centers in each district, plus funding received based on the number of credit and noncredit full time equivalent students ("**FTES**") in each district.

Under SB 361, commencing with fiscal year 2006-07, minimum funding per FTES was: (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 funded through State budgeting legislation in each fiscal year, if any. Due to the formula for determining FTES, the number of FTES in a district may not necessarily equal the number of students enrolled in the district. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Local revenues, consisting of local property taxes and student enrollment fees, were first used to satisfy a community college district's expenditures. Once these sources were exhausted, State funds were used to determine a district's revenue limit under SB 361.

New Student-Centered Funding Formula (SCFF). The 2018-19 State Budget, signed by Governor Jerry Brown on June 27, 2018, created a new Student-Centered Funding Formula for general purpose apportionments, initially implemented over three years. The new formula allocates funding to community college districts based upon FTES, as well as additional factors. The three calculations in the formula are:

(1) a **base allocation** consistent with the SB 361 formula described above (the "**Base Allocation**");

(2) a **supplemental allocation** 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** 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.

The Base Allocation generally constitutes approximately 60% of statewide funding, the supplemental allocation approximately 20% of statewide funding, and the student success allocation since fiscal year 2020-21 has been adjusted based on COLAs provided by State budgetary legislation. The distribution of funds across the three allocation groups under SCFF may vary by district.

Hold Harmless Provision. During the three years of implementation, 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 two years, through 2024-25, and districts will receive at least their 2017-18 funding, with a cost-of-living adjustment each year.

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

Other Funding Sources: Local Revenues

A local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees generally account for the remainder of local revenues.

Both property taxes and student enrollment fees are applied towards the District's financial needs. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the legislature to the district. The sum of the property taxes, student enrollment fees, and State aid generally comprise the district's revenue limit. Formerly known as "Basic Aid," a community-supported community college districts are those districts whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program-based model. As a community-supported district, a district does not receive any funds from the State appropriation, however, it does receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment, as well as unrestricted State aid for financial aid administration and part-time faculty costs. Under the SB 361 formula and the new Student-Focused Funding Formula, districts are allowed to keep the excess funds without penalty. The implication for community-supported is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. However, the District is not a community-supported district.

A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State; however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes and prohibits their use for capital purposes.

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 2023-24 AUDITED FINANCIAL STATEMENTS" attached hereto.

The District's Audited Financial Statements for fiscal year 2023-24 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 2024-25, see the table below under "– District Budget."

LOS RIOS COMMUNITY COLLEGE DISTRICT
Summary of Revenues, Expenditures and Changes in Net Position
For Fiscal Years 2019-20 through 2023-24 (Audited)

	2019-20	2020-21	2021-22	2022-23	2023-24
Operating Revenues					
Tuition and Fees	$62,903,712	$59,939,956	$52,540,741	$52,506,392	$59,296,482
Less: Scholarship discount and allowances	(36,345,845)	(36,218,423)	(29,369,103)	(27,961,710)	(31,944,442)
Net tuition and fees	26,557,867	23,721,533	23,171,638	24,544,682	27,352,040
Grants and Contracts, non-capital:					
Federal	118,689,435	149,558,959	95,667,668	89,943,302	14,646,666
State	74,775,947	78,099,554	79,064,049	99,992,143	109,925,445
Local	4,009,677	609,757	1,808,547	2,030,717	2,057,841
Net grants and contracts, noncapital	197,475,059	228,268,270	176,540,264	191,966,162	126,629,952
Auxiliary enterprise sales and charges	15,154,863	44,577	--	--	--
Other operating revenues	4,835,892	6,371,623	8,830,900	9,779,332	11,781,912
Total Operating Revenues	244,023,681	258,406,003	208,542,802	226,290,176	165,763,904
Operating Expenses					
Salaries	261,278,059	251,827,441	270,352,033	290,309,611	324,263,318
Employee benefits	121,911,708	137,831,983	69,635,110	97,774,871	107,760,378
Supplies, materials and other operating expenses and services	82,151,655	43,943,599	86,347,176	99,949,923	103,306,114
Student financial aid	123,449,422	132,816,296	133,770,555	154,102,217	142,692,005
Depreciation	28,964,115	27,540,369	26,326,182	26,770,081	26,561,336
Total Operating Expenses	617,754,959	593,959,688	586,431,056	668,906,703	704,583,151
Operating Loss	(373,731,278)	(335,553,685)	(377,888,254)	(442,616,527)	(538,819,247)
Non-Operating Revenues (Expenses)					
State apportionments and education protection act, non-capital	206,815,546	202,166,451	215,317,442	235,064,247	271,876,117
Local property taxes	96,600,814	102,063,348	108,906,190	118,051,466	124,325,979
Taxes levied for other specific purposes-Debt service	54,195,068	51,884,222	65,264,759	67,193,015	59,687,124
Federal and state financial aid grants	--	--	101,713,230	107,409,276	133,546,694
Lottery, state taxes and other revenues	41,925,744	30,600,817	15,358,251	16,996,501	31,577,531
Investment income (loss)	9,904,309	2,414,018	(1,587,468)	--	36,787,889
Interest expense and service charges on capital debt	(17,357,505)	(15,651,998)	(19,249,959)	(13,749,065)	(12,544,424)
Investment income	--	--	(413,070)	24,094,570	3,171,757
Transfer from agency fund	25,730	--	--	--	--
Investment income on capital asset-related debt	--	--	--	2,851,078	--
Other non-operating revenues - grants/gifts	240,660	1,345,634	743,925	1,462,348	2,467,292
Total Non-Operating Revenues (Expenses)	392,350,366	374,822,492	486,053,300	559,373,436	650,895,959
Income Before Other Revenues and Expenses	18,619,088	39,268,807	108,165,046	116,756,909	112,076,712
Other Revenues and Expenses					
State apportionments, capital	3,366,407	2,740,404	7,145,622	35,933,492	54,830,764
Loss on disposal of capital assets	--	(467,002)	(1,536,962)	(1,014)	(241,525)
Total Other Revenues and Expenses	3,366,407	2,273,402	5,608,660	35,932,478	54,589,239
Increase (decrease) in Net Position	21,985,495	41,542,209	113,773,706	152,689,387	166,665,951
Net Position, Beg. Of Year, as previously reported	316,179,494	338,164,989	382,157,304	495,931,010	648,620,397
Cumulative effect of change in account principles	--	2,450,105[(1)]	--	--	--
Net Position - End of Year	$338,164,989	$382,157,304	$495,931,010	$648,620,397	$815,286,348

(1) 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.

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 2024-25.

LOS RIOS COMMUNITY COLLEGE DISTRICT
General Fund Budget and Fund Balances, Revenues and Expenditures
For Fiscal Year 2024-25

	2024-25
Revenue	
Federal	$14,157,440
State	480,872,106
Other Local	174,782,240
Total Revenue	669,811,786
Expenses	
Academic Salaries	218,866,785
Classified Salaries	149,872,012
Employee Benefits	153,534,297
Supplies and Material	38,033,114
Other Operating Expenses and Services	156,553,830
Capital Outlay	26,064,104
Total Expenses	742,924,142
Total Other Financing Sources & Uses	34,699,040
Beginning Balance	185,467,105
Increase (Decrease)	(107,811,396)
Ending Balance	$77,655,709

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 minimum 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.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget (**"AB 1469"**), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014, within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were proposed to steadily increase over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized pursuant to the following schedule:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2020 through July 1, 2023

Effective Date	Employer Contribution Rate
July 1, 2020	16.15%
July 1, 2021	16.92
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate in fiscal year 2023-24 was 8.328% and will be 8.328% in fiscal year 2024-25.

The District's recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Historical STRS Contributions

Fiscal Year	Contribution
2020-21	$21,633,010
2021-22	21,864,051
2022-23	26,931,158
2023-24	29,291,858
2024-25*	31,332,472

*Budgeted.
Source: Los Rios Community College District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately $86.6 billion, on a market value of assets basis, as of June 30, 2023, which is the date of the last actuarial valuation.

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.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (**"AB 84"**) of June 2020, directed contributions of $430 million and $330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2024-25(1)

Fiscal Year	Employer Contribution Rate(1)
2020-21	20.700%
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050

(1) Expressed as a percentage of covered payroll.
Source: PERS

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
2020-21	$16,896,665
2021-22	19,758,238
2022-23	22,696,192
2023-24	27,012,588
2024-25*	28,682,383

*Budgeted.
Source: Los Rios Community College District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately $40.6 billion, based on a market value of assets, as of June 30, 2023, which is the date of the last actuarial valuation.

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 11 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, 2024 was $434,858. 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, 2023, the OPEB Plan had 1,114 retirees receiving benefits, 2,204 participating active employees and 69 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, 2024, the District contributed $4,005,795 to the OPEB Trust and $4,007,632 in current benefit payments.

Actuarial Assumptions. The District's total OPEB asset was measured as of June 1, 2023 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 5.75%, general inflation 2.50%, salary increases 3.00% (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 5.75% (net of OPEB Plan investment expense; includes inflation), and healthcare cost trend rates 6.50% in 2025. Mortality for certificated and classified employees were based on a PERS 2021 Study and a STRS 2024 Study. The MacLeod Watts Scale 2022 is applied generationally for mortality improvement.

Discount Rate. The discount rate used to measure the total OPEB liability was 5.75%. 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, 2024, are shown in the following table:

CHANGES IN NET OPEB ASSET
Los Rios Community College District
June 30, 2023 to June 30, 2024

	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability (Asset)**
Net OPEB asset at June 30, 2023 (*Measurement date 6/30/22)*	$151,068,149	$143,531,402	$7,536,747
Service cost	4,982,166	--	4,982,166
Interest	7,700,475	--	7,700,475
Difference between expected and actual experience	(5,677,832)	--	(5,677,832)
Contributions - employer	--	4,227,560	(4,227,560)
Net investment income	--	7,251,120	(7,251,120)
Changes of assumptions	(13,316,760)	--	(13,316,760)
Benefit payments	(4,081,641)	(4,081,641)	--
Administrative expense	--	(196,282)	196,282
Net change in net OPEB liability (asset)	(10,393,592)	7,200,757	(17,594,349)
Net OPEB asset at June 30, 2024 (*Measurement date 6/30/23)*	$140,674,557	$150,732,159	$(10,057,602)

Source: Los Rios Community College District 2023-24 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 May 1, 2025
Election of 2008				
Series C*	02/08/18	08/01/32	$65,000,000	$46,495,000
Series D	06/26/19	08/01/44	80,000,000	39,190,000
Series E	07/01/21	08/01/35	130,000,000	54,915,000
Refundings				
2016 Refunding	04/21/16	08/01/26	39,315,000.	9,920,000
2017 Refunding	12/19/17	08/01/35	106,850,000.	100,270,000
2020 Refunding	06/11/20	08/01/27	10,945,000	5,285,000
2021 Refunding	07/01/21	08/01/27	16,755,000	10,065,000
2022 Refunding	06/28/22	08/01/30	31,590,000	25,055,000
2024 Refunding, Series A	09/05/24	08/01/26	12,870,000	12,870,000
2024 Refunding, Series B	09/05/24	08/01/27	43,720,000	43,720,000
			Total Outstanding:	**$347,785,000**

**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, 2024, 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

Subscription-Based IT Arrangement (SBITA). The District entered into an SBITA for the use of Salesforce software. At June 30, 2024, the District has recognized a right-to-use subscription IT asset, net of accumulated amortization of $2,056,668 and a SBITA liability of $2,001,932 related to this agreement. During the fiscal year, the District recorded $514,167 in amortization expense. As the annual payments of $568,903 are due at the beginning of each contract year, the District did not recognize any interest expense during the initial year of the contract and the entire amount paid was applied to the principal balance of the SBITA obligation. The District used a discount rate of 5.33% based on the Secured Overnight Financing Rate

(SOFR) as of the contract inception date of August 1, 2023, which approximates the District's estimated incremental borrowing rate for financing over a similar time period.

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

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the **"LAO"**). Neither the District, the Underwriter nor the Counties are responsible for the information provided in this section.*

State Budgeting for Education Generally

The largest percentage of community college district revenues comes from the State in accordance with the State's formula for funding community college districts and the Proposition 98 minimum funding guarantee with respect to education appropriations. The following description of the State's budget has been obtained from publicly available information which the District believes to be reliable; however, none of the District, its counsel or the Underwriter guarantees the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov and www.lao.ca.gov. These websites are not incorporated herein by reference and none of the District, its counsel or the Underwriter make any representation as to the accuracy of the information provided therein or herein.

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.

Available Public Resources

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to "Bond Finance" and sub-heading "-Public Finance Division", includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.

- www.dof.ca.gov: The California Department of Finance's (the **"DOF"**) internet home page, under the link to "California Budget", includes the text of proposed and adopted State Budgets.

- www.lao.ca.gov: The LAO's internet home page includes a link to "-The Budget" which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Underwriter. Such information is <u>*not*</u> *incorporated herein by reference.*

The 2024-25 State Budget

Overview of the 2024-25 State Budget. The Governor signed the fiscal year 2024-25 State budget on June 29, 2024, which was amended through a series of legislative trailer bills (the "**2024-25 State Budget**"). The 2024-25 State Budget notes that the State has experienced significant revenue volatility and unprecedented revenue growth that was quickly followed by a sharp and deep correction back toward historical trends. The 2024-25 State Budget also notes that the unprecedented Internal Revenue Service tax filing and payment postponement in the year 2023 significantly clouded the State's revenue forecast, and indicates that, with the revenue picture now clearer, the 2024-25 State Budget takes steps to ensure California is on sound fiscal footing by setting the State on a fiscally responsible long-term path that protects vital programs.

The 2024-25 State Budget includes provisions intended to address a budget deficit of approximately $46.8 billion while also creating positive fund balance in State's Special Fund for Economic Uncertainties (the "**SFEU**") in fiscal years 2024-25 and 2025-26 and maintaining core programs for vulnerable populations. The 2024-25 State Budget includes approximately $16.0 billion in budgetary reductions, comprising (a) an approximately 7.95% reduction in the State's operations budget resulting in State general fund savings of approximately $2.2 billion, (b) a $1.5 billion permanent reduction in State departments' budgets for vacant positions, (c) a reduction of approximately $0.4 billion in State Department of Corrections and Rehabilitation budget in fiscal year 2024-25 and a total reduction of approximately $0.7 billion in fiscal years 2022-23 through 2024-25, (d) $1.1 billion reduction in various affordable housing programs, and (e) a reduction of $0.7 billion for various healthcare workforce housing programs.

The 2024-25 State Budget includes a $13.6 billion increase in revenues by means of additional revenue sources and internal borrowing from special funds, which incorporates suspension of net operating loss deductions for companies with over $1.0 million in taxable income and limits business tax credits to $5.0 million in fiscal years 2023-2024 through 2025-2026, and increased managed care organization tax generating $5.1 billion in fiscal year 2024-25, $4.6 billion in fiscal year 2025-26, and $4.0 billion in fiscal year 2026-27. Significantly, the 2024-25 State Budget provides for the withdrawal of approximately $12.2 billion from the State Rainy Day Fund (the "**Rainy Day Fund**") over fiscal years 2024-25 and 2025-26, and approximately $0.9 billion from the State Safety Net Reserve in fiscal year 2024-25.

Additional balancing measures include $6.0 billion in fund shifts, such as (a) applying a prior CalPERS supplemental pension payment to the State's overall pension liability which reduces the State's required employer contributions in fiscal year 2024-25 by $1.7 billion, (b) shifts approximately $1.0 billion in expenditures from the State general fund to the State's greenhouse gas reduction fund for the Formula and Competitive Transit and Intercity Rail Capital Program, and (c) shifts approximately $3.0 billion in expenditures from the State general fund to the State's greenhouse gas reduction fund for clean energy and other climate programs. The 2024-25 State Budget also delays funding for programs such as the State food assistance program expansion, developmental services, childcare slots and the State's broadband program by a total amount of approximately $3.1 billion and includes approximately $2.1 billion in payroll and University of California and California State University compact deferrals. Some of the core programs maintained in the 2024-25 State Budget include funding of the Proposition 98 minimum guarantee at approximately $115.3 billion for school districts and community colleges, Medi-Cal expansion of health care, multiple programs supporting the expansion of the continuum of behavioral health treatment and infrastructure capacity for providing behavioral health services, State supplemental payment base grants, CalWORKs base grants, in-home supportive services and certain broadband programs.

The 2024-25 State Budget projects total resources available in fiscal year 2023-24 of approximately $236.5 billion, including revenues and transfers of approximately $189.4 billion and a prior year balance of approximately $47.1 billion, and total expenditures in fiscal year 2023-24 of approximately $223.1 billion. The 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately $225.6 billion, inclusive of revenues and transfers of approximately $212.1 billion and a prior year balance of approximately $13.4 billion. The 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately $211.5 billion, inclusive of non-Proposition 98 expenditures of approximately $128.9 billion and Proposition 98 expenditures of approximately $82.6 billion. The 2024-25 State Budget projects total reserve balances of $22.2 billion at the end of fiscal year 2024-25. This includes $17.6 billion in the State Rainy Day Fund, $3.5 billion in the State's SFEU, and $1.1 billion in the Proposition 98 Rainy Day Fund. The 2024-25 State Budget includes total funding of $133.8 billion for all K-12 education programs, including $81.5 billion from the State's general fund and $52.3 billion from other funds. The 2024-25 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2024-25 State Budget include:

Proposition 98 Minimum Guarantee. The 2024-25 State Budget suspends the Proposition 98 minimum guarantee in fiscal year 2023-24 and projects the Proposition 98 minimum guarantee to be in Test 1 in fiscal year 2024-25. In Test 1 years, the Proposition 98 minimum guarantee is equal to the percentage of State general fund appropriated for K-14 schools in the fiscal year 1986-87. Suspending the Proposition 98 minimum guarantee is projected to create a maintenance factor obligation of approximately $8.3 billion in fiscal year 2023-24 and is projected to result in a $4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Proposition 98 minimum guarantee level in fiscal year 2024-25. The 2024-25 State Budget reflects Proposition 98 funding levels of $103.7 billion in fiscal year 2022-23, $98.5 billion in fiscal year 2023-24, and $115.3 billion in fiscal year 2024-25. Such funding represents approximately 39.2% of the State's general fund revenues, plus local property tax revenues and a $4.1 billion maintenance factor payment. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2024-25 State Budget increased the funding level from approximately 38.6% to approximately 39.2% to increase the percentage of State general fund revenues due to the minimum guarantee.

Proposition 98 Rainy Day Fund. The 2024-25 State Budget includes a withdrawal of the entire $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 and a discretionary payment of approximately $1.1 billion in fiscal year 2024-25, leaving a projected balance of $1.1 billion at the end of fiscal year 2024-25. Because there is no ending balance at the end of the 2023-24 fiscal year and a balance of $1.1 billion at the end of the 2024-25 fiscal year, school district reserve caps would not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26.

Local Control Funding Formula. The 2024-25 State Budget includes LCFF cost-of-living adjustment of 1.07%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for local agencies by approximately $983 million. To fully fund the LCFF, the 2024-25 State Budget withdraws approximately $5.3 billion from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2023-24 and uses available reappropriation and reversion funding of $253.9 million to support ongoing LCFF costs in fiscal year 2024-25.

Deferrals. The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately $3.6 billion and from fiscal year 2024-25 to fiscal year 2025-26 of approximately $246 million. Additionally, the 2024-25 State Budget reflects approximately $2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferred categorical amount being repaid using Proposition 98 Rainy Day Fund resources.

Learning Recovery Emergency Block Grant. The 2024-25 State Budget focuses the use of allocated but unexpended Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs, and incorporates the use of these funds into the existing Local Control and Accountability Plan development process.

Employee Protections. To ensure stable employment for school staff, the 2024-25 State Budget includes a suspension of the August 15, 2024 layoff window for certificated and classified staff.

Instructional Continuity and Attendance Program. The 2024-25 State Budget includes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss, as well as related fiscal impacts to local educational agencies. Beginning in fiscal year 2024-25, the 2024-25 State Budget allows local educational agencies to add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the California Department of Education for funding purposes. Beginning July 1, 2025, the 2024-25 State Budget requires local educational agencies to include an instructional continuity plan in their School Safety Plan as a component of their emergency funding application (J-13A waiver). The plan must include procedures for student engagement within 5 days of an emergency and a plan to provide hybrid or remote learning opportunities to students within 10 instructional days. The 2024-25 State Budget also includes a $4.0 million in one-time Proposition 98 general fund resources to research and develop new models of hybrid and remote learning to support students' attendance, including developing and disseminating guidance and resources for local educational agencies to develop their own hybrid and remote learning programs to enable instructional continuity.

Teacher Professional Development and Preparation. To expand the state's educator training infrastructure, the 2024-25 State Budget (a) provides $25 million of one-time Proposition 98 general fund resources to support necessary costs, including training for educators to administer literacy screenings to meet the requirement to screen students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year; and (b) provides $20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training aligned with the new California Mathematics Framework for mathematics coaches and leaders who in turn can provide training and support to mathematics teachers to deliver high-quality instruction.

State Preschool Program. The 2024-25 State Budget provides approximately $53.7 billion of State's general fund resources to support reimbursement rate increases previously supported by available one-time federal stimulus funding. The 2024-25 State Budget reflects one-time savings of $190.7 million general fund and $522.3 million Proposition 98 general fund. The 2024-25 State Budget authorized State Preschool Program providers to serve two-year-old children, in addition to three and four-year old children, until June 30, 2027. The 2024-25 State Budget maintains that the State Preschool Program continue to require providers to reserve 5% of funded enrollment for children with disabilities. However, the 2024-25 State Budget suspends provisions to increase this requirement to 7.5% in fiscal year 2025-26 and 10% in fiscal year 2026-27.

Transitional Kindergarten. The 2024-25 State Budget provides approximately $988.7 million in Proposition 98 general fund resources for the 2023-24 school year to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2024-25 State Budget also provides approximately $390.2 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2024-25 State Budget provides approximately $1.5 billion in ongoing Proposition 98 general fund resources beginning in fiscal year 2024-25 to support the third year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and June 2. The 2024-25 State Budget also provides approximately $515.5 million in ongoing Proposition 98 general fund resources to support the third year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

The 2024-25 State Budget solution-oriented measures that directly impact funding for school districts include forgoing planned investments of (a) $875.0 million to support the school facility program, (b) $550.0 million support to the State preschool, transitional kindergarten and full-day kindergarten facilities grant program, and (c) $500.0 million one-time investment in zero-emission school buses. The 2024-25 State Budget provides approximately $907.1 million to support arts and music in schools, an additional $179.4 million in ongoing Proposition 98 general fund resources and an additional $120.8 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2023-24 and 2024-25, $9.0 million in one-time Proposition 98 general fund resources for the classified school employee summer assistance program, $7.0 million in one-time Proposition 98 general fund resources to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks, and $5.0 million each for the State teachers collaborative for holocaust and genocide education and school programs in rural districts.

For the full text of the 2024-25 State Budget, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *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 Underwriter for accuracy or completeness.*

LAO Analysis of the 2024-25 State Budget. The Legislative Analyst's Office (the "**LAO**"), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2024-25 State Budget entitled "The 2024-25 Budget: Overview of the Spending Plan" on September 6, 2024 (the "2024-25 State Budget Analysis"). In the 2024-25 State Budget Analysis, the LAO assesses the budget problem that was addressed in the 2024-25 State Budget and analyzes the major proposals for K-12 education.

The LAO estimates that the State addressed a budget shortfall of $55.0 billion, which is larger than the budget shortfall of $47.0 billion cited in the 2024-25 State Budget. The main driver for the $8.0 billion difference is the difference in treatment of assumptions about baseline spending for schools and community colleges.

The LAO notes that the 2024-25 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and cost shifts. The LAO indicates that spending-related adjustments (including school spending) were the largest component of the budget package, accounting for $39.0 billion and approximately 70% of the total solutions. The LAO also shows that reserve withdrawals were the second largest component, totaling $6.0 billion from the State Rainy Day Fund and the Safety Net Reserve. The report further details that cost shifts and revenue-related solutions were smaller components, amounting to $2.0 billion and $8.0 billion, respectively. The LAO estimates $16.0 billion in one time or temporary spending solutions (excluding school spending) and $4.0 billion in ongoing reductions, which grow to approximately $6 billion over time.

The LAO notes that the budget emergency proclamation by the Governor on June 26, 2024 allowed the 2024-25 State Budget to withdraw approximately $5.0 billion from the State Rainy Day Fund. The 2024-25 State Budget also includes a withdrawal of the $900.0 million balance from the Safety Net Reserve.

The LAO estimates that, pursuant to the 2024-25 State Budget, the State would end the 2024-25 fiscal year with $21.1 billion in General Fund reserves, including$17.6 billion in the State Rainy Day Fund and $3.5 billion in the SFEU. The LAO also estimates that the State would have room under the State appropriations limit in fiscal years 2022-23 through 2024-25. The LAO projects that revenues from the major tax sources would grow from fiscal year 2023-24 to fiscal year 2024-25, but not enough to offset the revenue shortfalls in the prior and current fiscal years.

The LAO explains that the 2024-25 State Budget includes $12.7 billion in reductions to Proposition 98 funding for schools and community colleges over fiscal years 2022-23 through 2024-25. This includes a reduction to the Proposition 98 funding by $2.6 billion for fiscal year 2022-23. For fiscal year 2023-24, the 2024-25 State Budget invokes a provision allowing the State to suspend the minimum requirement and reduces the amount of Proposition 98 funding by $8.3 billion. The LAO states that these reductions lower the Proposition 98 requirement on an ongoing basis but create an obligation to increase funding more rapidly in the future. Additionally, the 2024-25 State Budget introduces a new type of fiscal maneuver that accrues $6.2 billion in previous school and community college payments to future fiscal years. Specifically, the State will not recognize these payments as a cost to the State general fund in the year it provided them, i.e., fiscal year 2022-23. The maneuver does not delay or reduce any payments to schools or community colleges, nor does it reduce the Proposition 98 funding requirement in future fiscal years.

The LAO notes that the 2024-25 State Budget contains reserve withdrawals from the Proposition 98 Rainy Day Fund to mitigate the funding reductions to schools in fiscal year 2023-24. Additionally, the LAO estimates cost savings because the Coronavirus Disease 2019 disease ("COVID-19") attendance policies preserving attendance numbers to pre-pandemic levels are being phased out. The LAO describes other minor savings for schools and community colleges from (1) deferring payments from fiscal year 2024-25 to fiscal year 2025-26, (2) reducing funding for the State Preschool program that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. The payment deferral involved deferring $487.0 million in payments from fiscal year 2024-25 to fiscal year 2025-26 by delaying a portion of payment to school districts from June 2025 to July 2025. The LAO notes that school districts may be exempt from this deferral if they can show the delay would cause fiscal insolvency. The purpose of the deferral is to reduce spending in fiscal year 2024-25 to the minimum level required by Proposition 98.

The LAO indicates that after accounting for these actions, the State has $1.5 billion available to augment school and community college programs. The LAO highlights that the budget allocates $1.0 billion of this amount to cover a 1.07 percent cost-of-living adjustment for existing programs. For schools, the 2024-25 State Budget also provides an increase of $300.0 million to cover cost increases of universal school meals. For community colleges, the 2024-25 Budget also provides $75.0 million to cover increased costs.

The 2024-25 State Budget Analysis is available on the LAO website at www.lao.ca.gov. *The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.*

The 2025-26 State Budget Proposal

Overview. The Governor sent the fiscal year 2025-26 budget proposal to the legislature on January 10, 2025 (the "**2025-26 State Budget Proposal**"). The 2025-26 State Budget Proposal presents a balanced budget with what are noted as significant reserves in the coming fiscal year, resulting in an upgrade to the State's financial forecast in the near term and modest upward revisions in the long term. A stronger-than-anticipated performance of the economy, stock market, and cash receipts, combined with an improved economic outlook, are noted as contributors to an upgraded revenue forecast, with General Fund revenues, before accounting for transfers and tax policy proposals, projected to be higher by approximately $16.5 billion (2.7%) than was assumed in the 2024 State Budget Act the three-year budget window of fiscal years 2023-24 through 2025-26.

The 2025-26 State Budget Proposal provides for $228.9 billion in general fund spending and nearly $17 billion in combined reserves—including nearly $11 billion in the State's Rainy Day Fund and an additional discretionary set-aside of $4.5 billion in the Special Fund for Economic Uncertainties. Although the proposal is noted as balanced, it anticipates shortfalls in subsequent fiscal years that are driven by expenditures exceeding revenues, noting additional decisions may be necessary at the May Revision to maintain a balanced budget in the coming year, and also on an ongoing basis. Noted risk factors relating to the economy and State revenues include stock market and asset price volatility and declines, particularly those affecting high-income earners - as well as geopolitical instability.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget Proposal include Proposition 98 funding for K-14 schools set at $118.9 billion for fiscal year 2025-26, and a LCFF cost-of-living adjustment of 2.43%. The proposal also reflects full implementation of universal transitional kindergarten, increased funding for universal school meals, and implementation of grants that will be fully disbursed in fiscal year 2025-26 to support the community school model to support improved educational outcomes at more than 2,000 public schools.

The 2025-26 State Budget Proposal includes a $100 million one-time Proposition 98 General Fund for California community colleges to expand Credit for Prior Learning and to begin building the infrastructure for the State's first "Career Passport." The Career Passport system will allow students to create formal documentation of their marketable skills and abilities developed through work, classes, apprenticeships, internships or other experiences both inside and outside the classroom, with the intent of scaling the system in future years to be applicable at both the secondary and higher education levels. The 2025-26 State Budget Proposal also allocates $500 million in one-time funding for literacy and mathematics coaches in high-poverty schools.

The proposal notes that it is maintaining efficiency reductions included in the 2024-25 State Budget intended to address ongoing statewide General Fund budget pressures, and that California State University should continue planning for a reduction of 7.95% in ongoing General Fund support starting in the 2025-26 fiscal year, with the University of California subject to a similar reduction of 7.95%.

For the full text of the 2025-26 State Budget Proposal, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *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 Underwriter for accuracy or completeness.*

LAO Analysis of the 2025-26 State Budget Proposal. The LAO released its report on the 2025-26 State Budget Proposal entitled "The 2025-26 Budget: Overview of the Governor's Budget" on January 13, 2025 (the **"2025-26 State Budget Proposal Analysis"**). In the 2025-26 State Budget Proposal Analysis, the LAO notes that the underlying condition of the Governor's budget is roughly balanced. However, the LAO (and the 2025-26 State Budget Proposal) anticipates budget deficits in future years and recommends action from the Governor and the State legislature. In addition, while the 2025-26 State Budget Proposal's upgraded revenue forecast is reasonable considering recent collection trends, the LAO is concerned that these gains are largely tied to gains in the stock market and not to improvements in the State's broader economy. Furthermore, the 2025-26 State Budget Proposal Analysis recommends that the State legislature continue to develop a plan to address future budget problems as existing underlying budget dynamics (i.e., revenues have not caught up with expenditures, expenditure growth exceeds estimated revenue growth, and the legislature's use of one-time funds) pose especially challenging trade-offs in addressing future deficits. Finally, the LAO notes that while the Governor's proposals for rethinking the State's reserve policies are merited, it believes that further changes are warranted, including, increases to the amount of funds that are saved each year.

The 2025-26 State Budget Proposal Analysis is available on the LAO website at https://lao.ca.gov/Publications/Report/4951. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Overview of the May Revision to 2025-26 State Budget Proposal. On May 14, 2025, the Governor released the May Revision to the 2025-26 State Budget Proposal (the "**May Revision**"). The May Revision reflects a budget shortfall of $27.6 billion, which is a decrease of $10.4 billion from the $38 billion shortfall projected in the 2025-26 State Budget Proposal. The May Revision notes that the State faces a $12 billion shortfall largely due to substantial changes in federal policy, specially, broad-based tariffs and increased expenditure growth above the Governor's Budget, most notably in Medi-Cal.

<u>Budget Shortfall Solutions</u>. The May Revision solves a $12 billion deficit for 2025-26 through the following categories of solutions. Unlike the last two years during which the State also faced budget deficits, this year's approach includes a significant number of reductions to ongoing programs that result in greater savings in future years.

Reductions. The May Revision includes $5 billion in total solutions in 2025-26. This category grows to $14.8 billion in 2028-29, including:

- Enrollment Freeze for Full-Scope Medi-Cal Expansion for Undocumented Adults, Adults 19 and Older—$86.5 million in 2025-26, growing to $3.3 billion in 2028-29.

- Medi-Cal Premiums, Adults 19 and Older—Implementation cost of $30 million in 2025-26, growing to savings of $2.1 billion in 2028-29 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.

- Medi-Cal Asset Test Limits—$94 million in 2025-26, growing to $791 million in 2028-29.

- Elimination of Long-Term Care Benefits—$333.3 million in 2025-26, growing to $800 million in 2026-27 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.

- Prospective Payment System Payments to Federally Qualified Health Centers and Rural Health Clinics—$452.5 million in 2025-26, growing to $1.1 billion in 2026-27.

- Specialty Drug Coverage for Weight Loss—$85 million in 2025-26, growing to $680 million in 2028-29.

- Cap In-Home Supportive Services Overtime and Travel Hours at 50 Hours—$707.5 million in 2025-26, growing to $893.4 million in 2028-29.

- Require Provider Mandates for Quality Incentive Payment Incentive Eligibility—$221.7 million ongoing beginning in 2026-27.

Revenue/Internal Borrowing. The May Revision includes $5.3 billion in total solutions for 2025-26 under revenue/internal borrowing, including:

- Proposition 35 Support for Medi-Cal Rate Increases—$1.3 billion in 2025-26 and $263.7 million in 2026-27.

- Medical Providers Interim Payment Fund Loan—$3.4 billion due to extending the repayment deadline.

- Unfair Competition Law Fund Loan—$150 million in 2025-26.

- Labor and Workforce Development Fund Loan—$400 million in 2025-26.

Fund Shifts. The May Revision shows a $1.5 billion greenhouse gas reduction fund for CalFire operations in 2025-26, growing to $1.9 billion in 2028-29.

Triggers. In addition to these solution categories, the May Revision includes triggers for two future spending commitments:

- California Food Assistance Program Expansion—$117.2 million in 2027-28, growing to $163.2 million in 2028-29

- Foster Care Tiered Rate Structure Trigger—$338.9 million in 2027-28, growing to $522.1 million in 2028-29.

Education. Important education highlights from the May Revision include:

- $8.4 billion withdrawal from the Public School System Stabilization Account to support TK-12 schools and community colleges.

- A reduction of $177.5 million in remaining, unused General Fund from a $2 billion one-time allocation provided to the Office of Public School Construction in the 2023 Budget Act for TK-12 school facilities.

- A reduction of $19.3 million ongoing Proposition 98 General Fund and $10.2 million ongoing General Fund to reflect the suspension of the statutory cost-of-living adjustment for the California State Preschool Program in 2025-26.

- $2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK.

- $1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

- Community colleges will experience a modest $625 million increase in funding over the 2024-25 State Budget, increasing from $12.3 billion to $12.9 billion. There is a proposed $531.6 million cash deferral from 2025-26 to 2026-27 which would impact cash received in May and June 2026 to July 2026. The deferral equates to 5.3 percent of the Student Centered Funding Formula. In addition, the May Revisions withdraws the Collaborative Enterprise Resource Planning Project proposal, and reduces funding for the Common Cloud Data Platform, Career Passport proposal, Credit for Prior Learning proposal, and Rising Scholars Network.

The 2025-26 State Budget is required to be passed by the Legislature by June 15, 2025, prior to the start of the new fiscal year, though the trend in recent years has been for the approval of a largely symbolic bill by that deadline with a substantive agreement emerging later.

For the full text of the 2025-26 State Budget Proposal and the May Revision to the 2025-26 State Budget Proposal, see the DOF website at www.dof.ca.gov. *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Disclaimer Regarding State Budgets. The execution of State 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, (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 2024-25 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein 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 the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State 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, and how such events could impact the District and its finances.

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 several 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 several 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 provisions 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 school 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.

Proposition 2 (2024)

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024, also known as "Proposition 2", was approved by State voters at the November 5, 2024 statewide election, and authorizes the sale and issuance of $10 billion in State general obligation bonds for the repair, upgrade and construction of facilities at K-12 public schools (including charter schools), community colleges and career technical education programs, including the improvement of health and safety conditions and classroom upgrades.

Proposition 2 includes $3.3 billion for the construction of new K-12 facilities and an additional $4 billion for the modernization of existing K-12 facilities. Up to 10% of the allocation for new constructions and modernization will be reserved for school districts with an enrollment of fewer than 2,501 students. Of the $4 billion assigned for modernization of existing K-12 facilities, up to $115 million will be allocated for the remediation of lead in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of $1.2 billion will be available for the modernization and construction of new charter school facilities ($600 million) and technical education facilities ($600 million). The State will award funds to technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

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.

APPENDIX B

LOS RIOS COMMUNITY COLLEGE DISTRICT

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023-24

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Financial Statements
June 30, 2024

Los Rios Community College District

Schedule of Findings and Questioned Costs

Independent Auditor's Report

Board of Trustees
Los Rios Community College District
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 4 through 12 and other required supplementary schedules as listed in the table of contents on pages 62 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

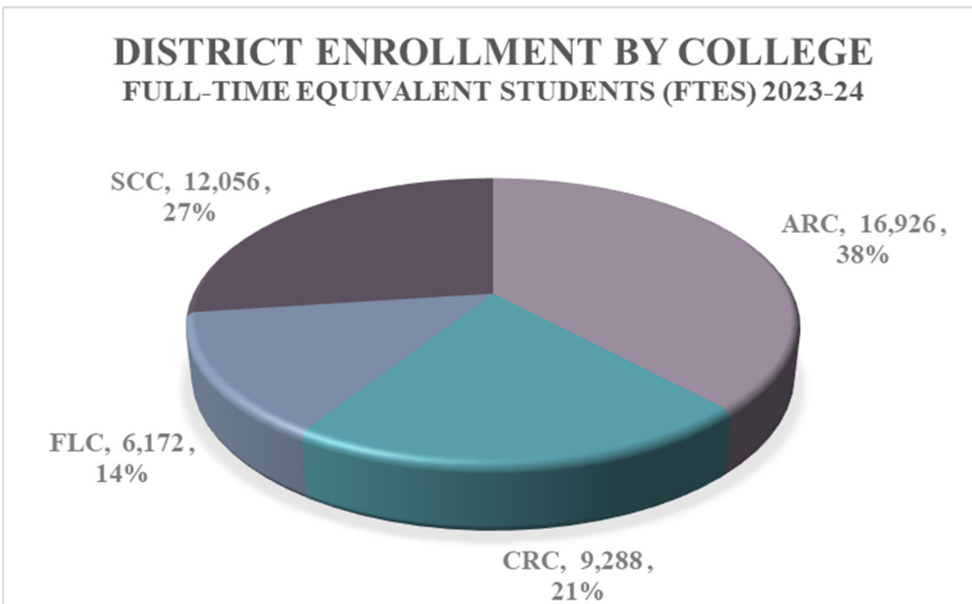
Eide Bailly LLP

Rancho Cucamonga, California
December 3, 2024

DISTRICT BACKGROUND

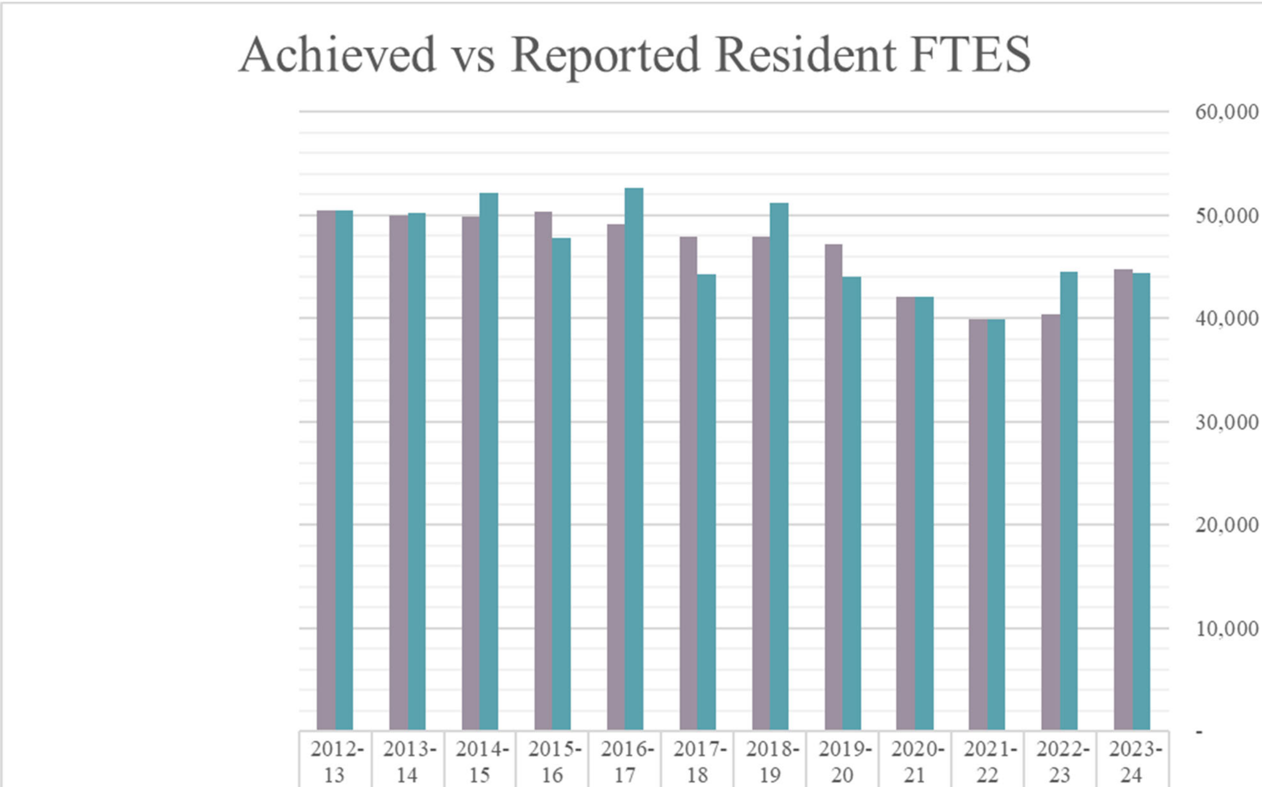
The Los Rios Community College District (the District) was formed in 1965 as a result of the consolidation of ten separate K-12 "feeder" districts. The District initially consisted of two colleges: Sacramento City College (SCC), founded in 1916, and American River College (ARC), founded in 1955. Cosumnes 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 70,000 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 increased by 11% in the current year compared to prior year. The difference between reported and achieved FTES is due to the District shifting a portion of summer 2023 FTES to 2022-23. The increase in achieved attendance is an encouraging sign for the District, as it demonstrates that the District's broad-based outreach and marketing efforts, designed to restore the District's enrollment to pre Covid-19 pandemic levels, are working. This effort includes a heavy focus on improving persistence among existing students as well as growing the number of Dual Enrollment students served by the District.



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Achieved FTES	50,499	49,936	49,853	50,311	49,173	47,847	47,955	47,238	42,036	39,919	40,338	44,778
Reported Resident FTES	50,499	50,209	52,171	47,779	52,640	44,313	51,170	44,025	42,036	39,919	44,487	44,441

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 fiscal year 2023-24 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 2022 Budget Act extended the SCFF's hold harmless provision by one year, through 2024-25. The District's fiscal year 2023-24 SCFF calculation exceeded the hold harmless provision, as SCFF calculated funding ($407 million) was more than the calculated funding using the hold harmless provision ($390.6 million). It is important to take into consideration that SCFF funding is based on the availability of state general apportionment funding.

The District closed the year with unrestricted general fund reserves of $176 million, or 33% of expenditures, as well as available reserves in its unrestricted capital outlay projects fund. Cash balances in the unrestricted general fund and unrestricted capital outlay projects fund is $458 million.

As of June 30, 2022, 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 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 102 capital facility projects, with an additional 18 projects currently in progress. As of June 30, 2024, Measure A was fully expended, and nearly all Measure M funds have been expended or committed.

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 $815.3 million.

	2024	2023
ASSETS		
Current assets	$ 983,604,195	$ 968,337,786
Noncurrent assets:		
Net OPEB asset	10,057,602	-
Capital assets, net	896,200,662	801,721,695
Total Assets	1,889,862,459	1,770,059,481
DEFERRED OUTFLOWS OF RESOURCES	143,425,061	133,455,949
LIABILITIES		
Current liabilities	372,814,274	371,907,171
Noncurrent liabilities:		
Net OPEB liability	970,886	8,639,217
Other long-term obligations	775,172,471	810,721,899
Total Liabilities	1,148,957,631	1,191,268,287
DEFERRED INFLOWS OF RESOURCES	69,043,541	63,626,746
NET POSITION		
Net investment in capital assets	579,432,725	470,004,746
Restricted	102,540,601	93,519,776
Unrestricted	133,313,022	85,095,875
Total Net Position	$ 815,286,348	$ 648,620,397

The District's $579.4 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 $102.5 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

	2024	2023
OPERATING REVENUES		
Net tuition and fees	$ 27,352,040	$ 24,544,682
Grants and contracts	126,629,952	185,707,725
Other operating income	11,781,912	9,779,332
Total Operating Revenues	165,763,904	220,031,739
OPERATING EXPENSES		
Salaries	324,263,318	290,309,611
Benefits (including CalPERS, CalSTRS & OPEB)	107,760,378	97,774,871
Supplies, materials, other operating expense and services	103,306,114	99,949,923
Student financial aid	142,692,005	154,102,217
Depreciation	26,561,336	26,770,081
Total Operating Expenses	704,583,151	668,906,703
Operating Loss	(538,819,247)	(448,874,964)
NONOPERATING REVENUE (EXPENSE)		
State apportionments and EPA, noncapital	271,876,117	235,064,247
Property taxes	184,013,103	185,244,481
Federal and State financial aid grants	133,546,694	107,409,276
Lottery and other revenue	31,577,531	23,254,938
Net investment income less interest expense	27,415,222	13,196,583
Other nonoperating revenue (expense)	2,467,292	1,462,348
Total Nonoperating Revenue (Expense)	650,895,959	565,631,873
OTHER REVENUE (EXPENSE)		
State and local capital income	54,830,764	35,933,492
Loss on disposal of capital assets	(241,525)	(1,014)
Total other revenue (expense)	54,589,239	35,932,478
Net Increase in Net Position	$ 166,665,951	$ 152,689,387

Certain reclassifications were applied to the 2023 groupings to align them with the classifications used in the 2024 Statement of Revenues, Expenses, and Changes in Net Position.

Net tuition and fees, included in operating revenue, increased by $2.8 million, primarily driven by an 11% increase in achieved FTES.

Grants and contracts, *noncapital* included in operating revenue, decreased by $59.1 million. This decline was primarily due to a $75 million reduction in recognized revenue from various federal categorical programs and grants, including $71 million from the COVID-19 Higher Education Emergency Relief Fund (HEERF), which were fully utilized during the 2022-23 fiscal year. However, this overall decrease was partially offset by an increase in revenue from various state categorical programs and grants.

Ongoing salary schedule improvements, coupled with one-time only retroactive salary schedule improvements resulted in the $33.9 million increase in *salaries*.

Benefits expense increased by $10 million. Major drivers of this increase were:

- Pension and OPEB expense increased due to recording the related liability changes, deferred outflows, and inflows over and above the prior year.
- Mandated increases in CalPERS employer contribution rates.
- Increases in health insurance premiums across the District's health care plans.
- The State's on-behalf contributions to employee pension plans and proportionate share of related pension liabilities increased by $4.5 million. Accounting standards require equal and opposite reporting via revenue and expense for the on-behalf contributions from the State and any increase in their proportionate share of related pension liabilities; therefore, there is no impact to the bottom line (net position) resulting from these transactions as *Lottery and other income* is correspondingly increased dollar for dollar.

Student financial aid, included in operating expenses, decreased by $11.4 million. This reduction was primarily due to the absence of $37.7 million in HEERF student financial aid disbursed during the 2022-23 fiscal year, as HEERF funds were fully utilized in that period. However, the decline was partially offset by a $26.1 million increase in other federal and state financial aid, largely attributed to a significant rise in the number of students applying for and qualifying for Federal Pell Grants. This $26.1 million increase also accounts for the growth in *Federal and state financial aid grants* reported under nonoperating revenue.

State apportionments and EPA, noncapital increased by $36.8 million primarily due to the 8.22% cost-of-living adjustment (COLA) applied to the SCFF.

Net investment income less interest expense increased by $14.2 million primarily due to rising interest rates resulting in increased interest income, coupled with increases in the District's interest earning deposit and investment account balances.

State and local capital income increased by $18.9 million primarily due to the state funded portion of Measure M projects at American River College (Tech Ed Modernization), Folsom Lake College (New Science Building) and Natomas Center (Phase II and III).

Capital Assets

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

	Beginning of Year	Additions	Deletions	End of Year
Land, construction in progress & collectibles	$ 142,133,115	$ 89,778,336	$ (660,000)	$ 231,251,451
Site improvements	80,399,161	311,045	-	80,710,206
Buildings and improvements	883,360,528	20,086,497	-	903,447,025
Equipment	208,245,440	8,175,781	(47,490)	216,373,731
Library books	7,001,026	777,809	(461,764)	7,317,071
Right-to-use subscription IT assets	-	2,570,835	-	2,570,835
Subtotal	1,321,139,270	121,700,303	(1,169,254)	1,441,670,319
Accumulated depreciation and amortization	(519,417,575)	(26,561,336)	509,254	(545,469,657)
TOTAL	$ 801,721,695	$ 95,138,967	$ (660,000)	$ 896,200,662

Land, construction in progress and collectibles additions were $89.8 million. The additions are primarily from the following construction projects: ARC Tech Ed Modernization, Natomas Center, Elk Grove Center and parking lot expansion, FLC New Science Building, and SCC Natural Sciences building. Deletions represent completed construction projects reclassified to site improvements or buildings and improvements.

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

Equipment additions of $8.2 million primarily consists of the replacement costs of outdated equipment and new equipment purchased.

Long-Term Debt

The changes in the District's long-term debt during the fiscal year ended June 30, 2024 consisted primarily of the following:

	Beginning of Year	Additions	Deletions	End of Year
General obligation bonds	$ 483,298,975	$ -	$ (52,183,930)	$ 431,115,045

Activity in the current year is from regular principal payments and amortization of bond issuance premiums.

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

During the Covid-19 pandemic, the District (similar to most other districts in the state) experienced a decline in enrollment. As California Community College funding is predominately based on enrollment, the enrollment declines would have resulted in a painful decrease in funding during the pandemic years. To address this impact the state implemented a hold-harmless funding provision, equal to a District's 2017-2018 funding level, increased by any Cost of Living Adjustments (COLA). This current hold harmless provision is in place through 2024-2025.

Beginning with 2025-2026, a new hold harmless provision will fund Districts at the greater of their SCFF generated funding or their 2024-2025 funding. An important difference in this revised hold harmless provision is that the hold harmless funding level will remain static and will not be increased by any future COLAs. This will lead to tough decisions for any Districts that are unable to restore and increase their enrollment, as their cost to serve existing students will continue to rise, but their funding level will remain unchanged. Relative to many other districts in the state, the District is in a favorable position from a demographic standpoint, as we have comparably favorable population trends among our feeder high schools as well as in our regional adult population. With this in mind, the District dedicated significant resources to a multi-pronged marketing and outreach program designed to restore its enrollment to pre Covid-19 levels and beyond. Our current daily year-over-year tracking indicates a full restoration, with growth above our pre-pandemic FTES benchmark. The plan is working and the District is optimistic that it will meet its enrollment targets and continue to qualify for available COLAs once the new hold harmless provision goes into effect.

However, while the District remains optimistic about its future funding levels under the Student Centered Funding Formula (SCFF), the state's ability to sustain this funding is dependent on income and property tax revenues, which are closely tied to economic conditions. According to the UCLA Anderson Forecast, California's GDP growth slowed from 3.7% in 2023 to 2.8% in mid-2024, slightly lagging the national average. Rising unemployment, which reached 5.4% in October 2024, along with sector-specific economic weaknesses, has contributed to this deceleration. Although the forecast anticipates that California's economy will rebound and grow faster than the national average by 2025 and 2026, driven by technology and aerospace industries, the state's near-term fiscal health remains vulnerable. This presents some risk to the state's ability to fully meet its funding commitments, including those under SCFF, especially if economic conditions deteriorate further.

The District is well prepared for such a scenario as it has long practiced a prudent budgeting approach, which leaves it well-positioned to manage this economic uncertainty. This includes maintaining reserves that exceed those required by the California Community College Chancellor's Office which are designed to allow the District to weather temporary decreases in its funding while maintaining student service levels and commitments to its employee groups.

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	
Deposits and investments	$ 519,444,546
Restricted deposits and investments	355,920,553
Accounts receivable, net	97,574,795
Due from fiduciary funds	2,745,888
Prepaid expenses and other assets	7,918,413
Total current assets	983,604,195
Noncurrent assets	
Net other postemployment benefits (OPEB) asset	10,057,602
Capital assets not being depreciated or amortized	231,251,451
Capital assets, net of accumulated depreciation and amortization	664,949,211
Total noncurrent assets	906,258,264
Total assets	1,889,862,459
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	2,538,274
Deferred outflows of resources related to OPEB	26,194,388
Deferred outflows of resources related to pensions	114,692,399
Total deferred outflows of resources	143,425,061
Liabilities	
Current liabilities	
Accounts payable	107,944,226
Payroll and related liabilities	49,269,292
Accrued interest payable	7,847,050
Due to fiduciary funds	805,795
Unearned revenue	152,557,122
Compensated absences payable, current portion	943,831
Subscription-based IT arrangements liability, current portion	462,200
Bonds, premium and discounts liability, current portion	52,984,758
Total current liabilities	372,814,274

Noncurrent liabilities	
Compensated absences payable, noncurrent portion	$ 29,120,376
Subscription-based IT arrangements liability, noncurrent portion	1,539,732
Bonds, premium and discounts liability, noncurrent portion	378,130,287
Claims liability	14,716,306
Net other postemployment benefits (OPEB) liability	970,886
Aggregate net pension liability	351,665,770
Total noncurrent liabilities	776,143,357
Total liabilities	1,148,957,631
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	22,775,913
Deferred inflows of resources related to pensions	46,267,628
Total deferred inflows of resources	69,043,541
Net Position	
Net investment in capital assets	579,432,725
Restricted for	
Debt service	57,622,423
Other activities	44,918,178
Unrestricted	133,313,022
Total net position	$ 815,286,348

Operating Revenues	
Tuition and fees	$ 59,296,482
Less: Scholarship discounts and allowances	(31,944,442)
Net tuition and fees	27,352,040
Grants and contracts, noncapital	
Federal	14,646,666
State	109,925,445
Local	2,057,841
Total grants and contracts, noncapital	126,629,952
Other operating revenues	11,781,912
Total operating revenues	165,763,904
Operating Expenses	
Salaries	324,263,318
Employee benefits	107,760,378
Supplies, materials, and other operating expenses and services	103,306,114
Student financial aid	142,692,005
Depreciation and amortization	26,561,336
Total operating expenses	704,583,151
Operating Loss	(538,819,247)
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	271,876,117
Local property taxes, levied for general purposes	124,325,979
Taxes levied for other specific purposes - debt service	59,687,124
Federal and State financial aid grants	133,546,694
Lottery, state taxes, and other revenues	31,577,531
Investment income	36,787,889
Interest expense and service charges on capital related debt	(12,544,424)
Investment income on capital asset-related debt, net	3,171,757
Other nonoperating revenue - gifts	2,467,292
Total nonoperating revenues (expenses)	650,895,959
Income Before Other Revenues and Losses	112,076,712
Other Revenues and Losses	
State revenues, capital	54,830,764
Loss on disposal of capital assets	(241,525)
Total other revenues and losses	54,589,239
Change In Net Position	166,665,951
Net Position, Beginning of Year	648,620,397
Net Position, End of Year	$ 815,286,348

Operating Activities	
Tuition and fees	$ 25,809,589
Federal, state, and local grants and contracts, noncapital	123,012,701
Payments to or on behalf of employees	(439,736,256)
Payments to vendors for supplies and services	(100,211,423)
Payments to students for scholarships and grants	(142,692,005)
Other operating receipts	19,961,778
Net cash flows used by operating activities	(513,855,616)
Noncapital Financing Activities	
State apportionments	264,168,337
Federal and state financial aid grants	133,546,694
Property taxes - nondebt related	124,325,979
State taxes and other apportionments	27,727,191
Other nonoperating payments	(229,732)
Net cash flows provided by noncapital financing activities	549,538,469
Capital Financing Activities	
Purchase of capital assets	(124,724,253)
Proceeds from sale of capital assets	418,475
State revenue, capital	71,541,949
Property taxes - related to capital debt	59,687,124
Principal paid on capital debt	(49,163,903)
Interest paid on capital debt	(16,579,114)
Interest received on capital asset-related debt	3,171,757
Net cash flows used by capital financing activities	(55,647,965)
Investing Activities	
Puchase of investments	(96,105,982)
Proceeds from sale of investments	103,390,000
Interest received from investments	32,192,029
Net cash flows provided by investing activities	39,476,047
Change In Cash and Cash Equivalents	19,510,935
Cash and Cash Equivalents, Beginning of Year	751,429,911
Cash and Cash Equivalents, End of Year	$ 770,940,846

Reconciliation of Net Operating Loss to Net Cash Flows Used by Operating Activities	
Operating Loss	$ (538,819,247)
Adjustments to reconcile operating loss to net cash flows used by operating activities	
Depreciation expense and amortization	26,561,336
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable, net	15,174,314
Prepaid expenses and other assets	(454,154)
Net OPEB asset	(10,057,602)
Deferred outflows of resources related to OPEB	(1,562,189)
Deferred outflows of resources related to pensions	(8,827,537)
Accounts payable	2,209,484
Unearned revenue	(12,154,150)
Compensated absences and load banking	3,191,587
Claims liability	3,046,666
Aggregate net OPEB liability	(7,668,331)
Aggregate net pension liability	10,087,412
Deferred inflows of resources related to OPEB	20,780,721
Deferred inflows of resources related to pensions	(15,363,926)
Total adjustments	24,963,631
Net cash flows used by operating activities	$ (513,855,616)
Cash and Cash Equivalents Consist of the Following:	
Cash on hand and in banks	$ 26,527,559
Cash in county treasury	744,413,287
Total cash and cash equivalents	$ 770,940,846
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	$ 420,614
Amortization of debt premium and discount	$ 3,588,930
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT asset	$ 2,570,835

	Retiree OPEB Trust	Custodial Funds
Assets		
Deposits and investments	$ -	$ 3,660,897
Restricted investments	160,881,953	-
Accounts receivable	-	4,516
Due from primary government	805,795	-
Total assets	$ 161,687,748	$ 3,665,413
Liabilities		
Accounts payable	$ 52,050	$ 30,576
Due to primary government	-	2,745,888
Total liabilities	52,050	2,776,464
Net Position		
Restricted for postemployment benefits other than pensions	161,635,698	-
Unrestricted	-	888,949
Total net position	$ 161,635,698	$ 888,949

	Retiree OPEB Trust	Custodial Funds
Additions		
District contributions	$ 4,005,795	$ -
Interest and investment income	245,223	35,608
Net realized and unrealized gains	10,860,485	-
Local revenues	-	642,655
Total additions	15,111,503	678,263
Deductions		
Services and operating expenditures	-	527,396
Benefit payments	4,007,632	-
Administrative expenses	200,332	-
Net realized and unrealized losses	-	7,327
Total deductions	4,207,964	534,723
Change in Net Position	10,903,539	143,540
Net Position - Beginning of Year	150,732,159	745,409
Net Position - End of Year	$ 161,635,698	$ 888,949

Assets	
Current assets	
Cash	$ 2,587,339
Accounts receivable	277,500
Promises to give, current	37,346
Total current assets	2,902,185
Noncurrent assets	
Investments	26,003,472
Beneficial interest in assets held by the Foundation for California Community Colleges (FCCC)	207,803
Long-term promises to give	109,570
Total noncurrent assets	26,320,845
Total assets	$ 29,223,030
Liabilities and Net Assets	
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	$ 45,700
Net Assets	
Without donor restrictions	3,128,322
With donor restrictions	26,049,008
Total net assets	29,177,330
Total liabilities and net assets	$ 29,223,030

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 485,741	$ 5,717,417	$ 6,203,158
District donated in-kind	2,185,975	-	2,185,975
In-kind contributions	41,395	-	41,395
Net assets released from restrictions	2,855,486	(2,855,486)	-
Total support and revenues	5,568,597	2,861,931	8,430,528
Expenses			
Scholarships	1,698,368	-	1,698,368
College support	2,164,559	-	2,164,559
Grants and sponsorships	263,208	-	263,208
Administrative	1,212,249	-	1,212,249
Fundraising	87,547	-	87,547
Total expenses	5,425,931	-	5,425,931
Total revenues in excess of expenses	142,666	2,861,931	3,004,597
Other Revenues			
Net investment income	477,827	1,386,891	1,864,718
Change in Net Assets	620,493	4,248,822	4,869,315
Net Assets, Beginning of Year	2,507,829	21,800,186	24,308,015
Net Assets, End of Year	$ 3,128,322	$ 26,049,008	$ 29,177,330

Operating Activities	
Contributions for scholarships	$ 5,706,745
Pledge campaign	349,392
Annual fund	103,108
Interest and dividends on investments, net of expenses	720,525
Scholarships awarded	(1,142,214)
Payments to suppliers	(801,061)
Payments for services	(202,755)
Payments for travel, conferences and meetings	(62,627)
Payments for other operating costs	(1,172,955)
Net cash provided by operating activities	3,498,158
Investing Activities	
Proceeds from sales and maturities of investments	2,672,946
Purchases of investments	(4,756,015)
Net cash used by investing activities	(2,083,069)
Net Change in Cash	1,415,089
Cash, Beginning of Year	1,172,250
Cash, End of Year	$ 2,587,339
Reconciliation of Change in Net Assets to Net Cash Flows Used by Operating Activities	
Change in net assets	$ 4,869,315
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized loss on sale of investments	75,666
Net unrealized gain on investments	(1,206,354)
Change in the value of beneficial interest in assets held by the FCCC	(13,505)
Changes in	
Accounts receivable	(211,294)
Promises to give	61,460
Accounts payable	(77,130)
Net Cash Provided by Operating Activities	$ 3,498,158

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

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. 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.

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

Deposits

The District's deposits are comprised of cash and cash equivalents which 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 Treasury) 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.

Investments

Investments held at June 30, 2024 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 investments in the County treasury and State Local Agency Investment Fund (LAIF) are measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolios determined by the program sponsors. Positions in these investment pools are not required to be categorized within the fair value hierarchy.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the 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 $1,596,739 for the year ended June 30, 2024.

Prepaid Expenses

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

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, buildings and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at fair value or appraised 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 the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

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

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 will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding, for OPEB related items, and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

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

Debt Premiums and Discounts

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

Compensated Absences and Load Banking

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

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

Subscription-based IT Arrangements

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Pensions

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

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and the revenue is recognized. Unearned revenue is primarily composed of (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 amortization 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.

The Statement of Net Position – Primary Government report $102,540,601 of restricted net position, and the fiduciary funds financial statements report $161,635,698 of restricted net position.

State Apportionments

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

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County 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.

Scholarship Discounts and Allowances

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

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 and State of California. 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* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards.*

Estimates

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

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 of California. 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, in a 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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

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

	Primary Government	Fiduciary Funds
Cash and cash equivalents	$ 25,623,126	$ 3,262,017
Investments	493,821,420	398,880
Restricted cash and cash equivalents	904,433	-
Restricted investments	355,016,120	160,881,953
Total deposits and investments	$ 875,365,099	$ 164,542,850
Cash on hand and in banks	$ 5,963,982	$ 3,253,792
Cash in revolving	117,500	8,225
Cash awaiting deposit	20,446,077	-
Investments - cash in county treasury	744,413,287	-
Investments - LAIF	5,154,091	398,880
Investments - other	99,270,162	160,881,953
Total deposits and investments	$ 875,365,099	$ 164,542,850

Interest Rate Risk

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

		Maturity in Years	
Investment Type	Fair Value	1-5	>5
Government-sponsored enterprise notes	$ 99,270,162	$ 99,270,162	$ -
County Treasury pool	744,413,287	744,413,287	-
State Local Agency Investment Fund (LAIF)	5,552,971	5,552,971	-
Total	$ 849,236,420	$ 849,236,420	$ -

The District’s investments in mutual funds do not have a maturity.

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	Credit Rating
Government-sponsored enterprise notes	$ 99,270,162	AA+
Mutual funds	160,720,356	Not rated
Money market funds	161,597	Not rated
County Treasury pool	744,413,287	Not rated
State Local Agency Investment Fund (LAIF)	5,552,971	Not rated
Total	$ 1,010,118,373	

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, 2024, no investments in a single issuer represented 5% 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 District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

As of June 30, 2024, District bank balances of approximately $36 million 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.

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

		Fair Value Measurements Using		
Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Government-sponsored enterprise notes	$ 99,270,162	$ 99,270,162	$ -	$ -
Mutual funds	160,720,356	-	160,720,356	-
Total	$ 259,990,518	$ 99,270,162	$ 160,720,356	$ -

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

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2024 for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources as follows:

	Primary Government
Federal Government	
Categorical aid	$ 6,655,358
State Government	
Apportionment	41,627,471
Categorical aid	19,692,738
Lottery	3,601,019
Local Sources	
Student receivables, net	7,510,344
Interest	16,656,864
Other local sources	1,831,001
Total	$ 97,574,795

Note 6 - Prepaid Expenses

Prepaid expenses at June 30, 2024 consisted of the following:

Education	$ 1,110,578
Employee benefits	3,949,345
Insurance	88,152
Marketing and advertising	269,521
Technology	1,831,404
Other prepaid expenses	235,113
Total	$ 7,484,113

Note 7 - Capital Assets

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

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Capital Assets Not Being Depreciated or Amortized				
Land	$ 7,540,186	$ 1,937	$ (660,000)	$ 6,882,123
Collections	1,697,400	10,875	-	1,708,275
Construction in progress	132,895,529	89,765,524	-	222,661,053
Total capital assets not being depreciated or amortized	142,133,115	89,778,336	(660,000)	231,251,451
Capital Assets Being Depreciated and Amortized				
Site improvements	80,399,161	311,045	-	80,710,206
Buildings and improvements	883,360,528	20,086,497	-	903,447,025
Equipment	208,245,440	8,175,781	(47,490)	216,373,731
Library books	7,001,026	777,809	(461,764)	7,317,071
Right-to-use subscription IT assets	-	2,570,835	-	2,570,835
Total capital assets being depreciated or amortized	1,179,006,155	31,921,967	(509,254)	1,210,418,868
Total capital assets	1,321,139,270	121,700,303	(1,169,254)	1,441,670,319
Less Accumulated Depreciation and Amortization				
Site improvements	(69,125,466)	(2,109,914)	-	(71,235,380)
Buildings and improvements	(261,718,579)	(16,144,014)	-	(277,862,593)
Equipment	(183,693,390)	(7,010,238)	47,490	(190,656,138)
Library books	(4,880,140)	(783,003)	461,764	(5,201,379)
Right-to-use subscription IT assets	-	(514,167)	-	(514,167)
Total accumulated depreciation and amortization	(519,417,575)	(26,561,336)	509,254	(545,469,657)
Total capital assets, net	$ 801,721,695	$ 95,138,967	$ (660,000)	$ 896,200,662

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

Summary

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

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Due in One Year
General obligation bonds	$ 448,500,000	$ -	$ (48,595,000)	$ 399,905,000	$ 49,535,000
Bond premium and discount	34,798,975	-	(3,588,930)	31,210,045	3,449,758
Subscription-based IT arrangements	-	2,570,835	(568,903)	2,001,932	462,200
Compensated absences and load banking	26,872,620	3,191,587	-	30,064,207	943,831
Total	$ 510,171,595	$ 5,762,422	$ (52,752,833)	$ 463,181,184	$ 54,390,789

Description of Debt

Payments of the general obligation bonds are made by the bond interest and redemption fund. Payments of the subscription-based IT arrangements are paid for from the Capital Outlay Projects Fund. The compensated absences and load banking liabilities will be paid by the fund for which the employee worked.

General Obligation Bonds

General obligation bonds were approved by local elections in 2002, 2008, and 2020. The total amount approved by the voters was $1,390,000,000. At June 30, 2024, $730,000,000 had been issued and $399,905,000 was outstanding. Interest rates on the bonds range from 0.12 to 5.00%.

The outstanding general obligation bond debt is as follows:

Description	Issue Date	Maturity Date	Interest Rate	Original Issue	Refunding Issue	Balance, July 1, 2023	Redeemed	Balance, June 30, 2024
Measure A								
2022 Series E	6/27/2013	8/1/2038	2.00-5.00%	$ 20,000,000	$ -	$ 14,675,000	$ (700,000)	$ 13,975,000
2022 Series F	1/25/2018	8/1/2023	2.00-4.00%	27,500,000	-	8,305,000	(8,305,000)	-
2016 Refunding	4/21/2016	8/1/2026	2.00-5.00%	-	39,315,000	18,440,000	(4,025,000)	14,415,000
2020 Refunding	6/11/2020	8/1/2027	1.32%	-	10,945,000	7,835,000	(1,265,000)	6,570,000
2021 Refunding	7/1/2021	8/1/2027	4.00%	-	16,755,000	16,215,000	(3,020,000)	13,195,000
2022 Refunding	6/28/2022	8/1/2030	4.00-5.00%	-	31,590,000	30,875,000	(2,845,000)	28,030,000
Total Measure A				47,500,000	98,605,000	96,345,000	(20,160,000)	76,185,000
Measure M								
2008 Series B	6/27/2013	8/1/2038	2.00-5.00%	60,000,000	-	49,600,000	(1,800,000)	47,800,000
2008 Series C	1/25/2018	8/1/2032	2.00-4.00%	65,000,000	-	54,015,000	(3,575,000)	50,440,000
2008 Series D	6/26/2019	8/1/2044	4.00-5.00%	80,000,000	-	39,190,000	-	39,190,000
2017 Refunding	11/30/2017	8/1/2035	2.00-5.00%	-	106,850,000	104,070,000	-	104,070,000
2008 Series E	7/1/2021	8/1/2035	0.12-3.00%	130,000,000	-	105,280,000	(23,060,000)	82,220,000
Total Measure M				335,000,000	106,850,000	352,155,000	(28,435,000)	323,720,000
				$ 382,500,000	$ 205,455,000	$ 448,500,000	$ (48,595,000)	$ 399,905,000

Debt Maturity

General Obligation Bonds

The outstanding general obligation bonds mature through 2045 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2025	$ 49,535,000	$ 14,813,768	$ 64,348,768
2026	53,445,000	12,953,561	66,398,561
2027	27,875,000	11,362,844	39,237,844
2028	24,680,000	10,225,364	34,905,364
2029	25,220,000	9,111,325	34,331,325
2030-2034	121,195,000	29,838,238	151,033,238
2035-2039	70,200,000	9,513,175	79,713,175
2040-2044	22,075,000	2,695,600	24,770,600
2045	5,680,000	85,200	5,765,200
Total	$ 399,905,000	$ 100,599,075	$ 500,504,075

Subscription-Based IT Arrangement (SBITA)

The District entered into an SBITA for the use of Salesforce software. At June 30, 2024, the District has recognized a right-to-use subscription IT asset, net of accumulated amortization of $2,056,668 and a SBITA liability of $2,001,932 related to this agreement. During the fiscal year, the District recorded $514,167 in amortization expense. As the annual payments of $568,903 are due at the beginning of each contract year, the District did not recognize any interest expense during the initial year of the contract and the entire amount paid was applied to the principal balance of the SBITA obligation. The District used a discount rate of 5.33% based on the Secured Overnight Financing Rate (SOFR) as of the contract inception date of August 1, 2023, which approximates the District's estimated incremental borrowing rate for financing over a similar time period.

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

Fiscal Year	Principal	Interest	Total
2025	$ 462,200	$ 106,703	$ 568,903
2026	486,835	82,068	568,903
2027	512,783	56,119	568,902
2028	540,114	28,788	568,902
Total	$ 2,001,932	$ 273,678	$ 2,275,610

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

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

OPEB Plan	Aggregate Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ (10,057,602)	$ 26,194,388	$ 22,775,913	$ 1,624,183
Medicare Premium Payment (MPP) Program	970,886	-	-	(131,584)
Total	$ (9,086,716)	$ 26,194,388	$ 22,775,913	$ 1,492,599

The details of each plan are as follows:

District Plan

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 Executive Vice Chancellor, Finance and Administration, Director, Accounting Services, the Confidential Senior Financial Analyst and two members of the District's Insurance Review Committee. The Board appointed Principal Asset Management. 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, 2023, the OPEB Plan membership consisted of the following:

Retired employees receiving benefits	1,114
Retired employees entitled to but not receiving benefits	69
Participating active employees	2,204
Total	3,387

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, 2024, the District contributed $4,005,795 to the OPEB Trust and $4,007,632 in 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	$367	$367	$367	$367	$367

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Funding method	Entry-age normal cost, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	5.75%
General inflation rate	2.50%
Salary increases [1]	3.00%
Long-term return on assets [2]	5.75%
Health care cost trends rates	6.5% in 2025, decreasing to 3.90% by 2076
Mortality	CalPERS 2021 study; CalSTRS 2024 Study
Mortality improvement	MacLeod Watts Scale 2022

[1] Since benefits do not depend on salary, this is only used to allocate the costs of benefits between service years.

[2] Net of Plan investment expense; includes inflation

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 included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Portfolio Mix	Long-Term Expected Real Rate of Return
1-Year	5.97%
3-Year	5.82%
5-Year	5.79%
10-Year	5.77%
20-Year	5.76%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. 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 Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance, June 30, 2022	$ 151,068,149	$ 143,531,402	$ 7,536,747
Service cost	4,982,166	-	4,982,166
Interest	7,700,475	-	7,700,475
Difference between expected and actual experience	(5,677,832)	-	(5,677,832)
Contributions - employer	-	4,227,560	(4,227,560)
Net investment income	-	7,251,120	(7,251,120)
Changes of assumptions	(13,316,760)	-	(13,316,760)
Benefit payments	(4,081,641)	(4,081,641)	-
Administrative expense	-	(196,282)	196,282
Net change in net OPEB liability (asset)	(10,393,592)	7,200,757	(17,594,349)
Balance, June 30, 2023	$ 140,674,557	$ 150,732,159	$ (10,057,602)

Changes of economic assumptions reflect a change in the discount rate from 5.00% to 5.75% and a change in the healthcare cost trend rate from 5.80% to 6.50% decreasing to 3.9% by 2076 since the previous valuation.

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:

Discount Rate	Net OPEB Liability/(Asset)
1% decrease (4.75%)	$ 11,556,976
Current discount rate (5.75%)	(10,057,602)
1% increase (6.75%)	(27,672,269)

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 healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability/(Asset)
1% decrease (5.50% decreasing to 2.90%)	$ (29,580,831)
Current healthcare cost trend rates (6.50% decreasing to 3.90%)	(10,057,602)
1% increase (7.50% decreasing to 4.90%)	14,457,854

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 4,320,969	$ -
Differences between expected and actual experience	1,839,089	4,825,305
Changes of assumptions	3,815,050	12,700,415
Net difference between projected and actual earnings on OPEB plan investments	16,219,280	5,250,193
Total	$ 26,194,388	$ 22,775,913

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. All other deferred outflows/(inflows) of resources related to differences between expected and actual experience, changes of assumptions, and 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
2025	$ 848,707
2026	987,878
2027	3,562,920
2028	(1,717,125)
2029	(2,702,528)
Thereafter	(1,882,346)
Total	$ (902,494)

Medicare Premium Payment (MPP) Program

Plan Description

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

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

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $970,886 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.3200% and 0.3347%, respectively, resulting in a net decrease of 0.0147% in the proportionate share.

For the year ended June 30, 2024, the District recognized OPEB expense of ($131,584).

Actuarial Methods and Assumptions

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

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

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

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

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

Discount Rate

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	$ 1,055,153
Current discount rate (3.65%)	970,886
1% increase (4.65%)	897,615

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 893,311
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	970,886
1% increase (5.50% Part A and 6.40% Part B)	1,058,465

Note 10 - 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.

The District participates in Statewide Association of Community Colleges (SWACC), a risk pooling solution, for excess coverage at a Member Retained Limit (MRL) of $250,000 per occurrence for property and $1,000,000 per occurrence for liability. The District self-insures its property claims up to $100,000 per occurrence and liability claims up to $250,000 per occurrence. SWACC pools for the first $250,000 of a property loss including the MRL and purchases reinsurance for property claims up to $235,000,000 in excess of $15,250,000. SWACC pools for the first $1,000,000 of a liability loss including the MRL and purchases reinsurance for liability claims up to $24 million excess of $1 million including member's MRL. SWACC also offers members of the program an additional $25 million in excess liability coverage for excess liability limits to $50 million. The District is self-insured for workers' compensation claims on the first $500,000 of each claim.

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.

Workers' Compensation

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 workers' compensation is purchased through an insurance broker.

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, 2022 to June 30, 2024:

	Total
Liability Balance, July 1, 2022	$ 10,419,051
Claims and changes in estimates	1,833,389
Claims payments	(582,800)
Liability Balance, June 30, 2023	11,669,640
Claims and changes in estimates	5,700,604
Claims payments	(2,653,938)
Liability Balance, June 30, 2024	$ 14,716,306
Assets available to pay claims at June 30, 2024	$ 13,997,830

Note 11 - Employee Retirement Systems

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

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

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 164,750,361	$ 52,282,382	$ 32,972,726	$ 18,162,269
CalPERS	186,915,409	62,410,017	13,294,902	24,038,126
Total	$ 351,665,770	$ 114,692,399	$ 46,267,628	$ 42,200,395

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, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://wwww.calstrs.com/member-publications.

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% 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, 2024, are summarized as follows:

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

CalSTRS Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS were to increase to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above, and the District's total contributions were $29,291,858.

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

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

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 164,750,361
State's proportionate share of net pension liability associated with the District	78,936,531
Total	$ 243,686,892

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.2163% and 0.2230%, respectively, resulting in a net decrease of 0.0067% in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of $18,162,269. In addition, the District recognized pension expense and revenue of $10,737,549 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 29,291,858	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	8,384,697	24,157,745
Differences between projected and actual earnings on pension plan investments	705,198	-
Differences between expected and actual experience in the measurement of the total pension liability	12,946,664	8,814,981
Changes of assumptions	953,965	-
Total	$ 52,282,382	$ 32,972,726

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/(Inflows) of Resources
2025	$ (5,183,172)
2026	(8,122,941)
2027	13,348,837
2028	662,474
Total	$ 705,198

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (2,623,956)
2026	(3,432,617)
2027	(1,803,461)
2028	(4,338,901)
2029	(232,703)
Thereafter	1,744,238
Total	$ (10,687,400)

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, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

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

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

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

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

CalSTRS Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 276,355,584
Current discount rate (7.10%)	164,750,361
1% increase (8.10%)	72,049,215

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, 2022, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:
https://www.calpers.ca.gov/page/forms-publications.

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, 2024, are summarized as follows:

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

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, 2024, are presented above, and the total District contributions were $27,012,588.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $186,915,409. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.5164 % and 0.5424%, respectively, resulting in a net decrease in the proportionate share of 0.0260%.

For the year ended June 30, 2024, the District recognized pension expense of $24,038,126. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 27,012,588	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	10,424,156
Differences between projected and actual earnings on pension plan investments	19,965,239	-
Differences between expected and actual experience in the measurement of the total pension liability	6,821,072	2,870,746
Changes of assumptions	8,611,118	-
Total	$ 62,410,017	$ 13,294,902

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/(Inflows) of Resources
2025	$ 3,724,296
2026	2,206,366
2027	13,413,241
2028	621,336
Total	$ 19,965,239

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 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 290,813
2026	1,470,753
2027	375,722
Total	$ 2,137,288

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, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

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

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

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

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

CalPERS Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 270,231,367
Current discount rate (6.90%)	186,915,409
1% increase (7.90%)	118,056,666

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $14,715,280 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

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, 2024 was $434,858. 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 12 - Commitments and Contingencies

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2024.

Litigation

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

Construction Commitments

As of June 30, 2024, the District had $100.4 million 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.

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 debt 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, 2024.

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, 2024 were as follows:

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

Note 13 - Subsequent Events

On August 20, 2024, the District issued $56,590,000 of 2024 General Obligation Bonds Refunding Bonds, Series A and B with final maturities of August 1, 2026 and August 1, 2027, respectively. The bonds carry an interest rate of 5.00%. Interest is payable semi-annually on February 1 and August 1 of each year.

Required Supplementary Information
June 30, 2024

Los Rios Community College District

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	$ 4,982,166	$ 4,837,054	$ 4,419,126	$ 4,280,025	$ 4,043,603
Interest	7,700,475	7,286,908	6,503,415	6,158,278	5,986,421
Difference between expected and actual experience	(5,677,832)	-	1,613,779	-	914,153
Changes of assumptions	(13,316,760)	-	6,586,273	-	(4,443,284)
Benefit payments	(4,081,641)	(3,913,850)	(3,827,446)	(3,521,891)	(3,078,482)
Net change in total OPEB liability	(10,393,592)	8,210,112	15,295,147	6,916,412	3,422,411
Total OPEB Liability - Beginning	151,068,149	142,858,037	127,562,890	120,646,478	117,224,067
Total OPEB Liability - Ending (a)	$ 140,674,557	$ 151,068,149	$ 142,858,037	$ 127,562,890	$ 120,646,478
Plan Fiduciary Net Position					
Contributions - employer	$ 4,227,560	$ 4,326,584	$ 4,189,977	$ 4,054,415	$ 5,553,625
Net investment income	7,054,838	(19,133,750)	18,388,456	9,957,190	8,961,515
Benefit payments	(4,081,641)	(3,913,850)	(3,827,446)	(3,521,891)	(3,078,482)
Net change in plan fiduciary net position	7,200,757	(18,721,016)	18,750,987	10,489,714	11,436,658
Plan Fiduciary Net Position - Beginning	143,531,402	162,252,418	143,501,431	133,011,717	121,575,059
Plan Fiduciary Net Position - Ending (b)	$ 150,732,159	$ 143,531,402	$ 162,252,418	$ 143,501,431	$ 133,011,717
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (10,057,602)	$ 7,536,747	$ (19,394,381)	$ (15,938,541)	$ (12,365,239)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.15%	95.01%	113.58%	112.49%	110.25%
Covered Employee Payroll	$ 230,966,535	$ 221,736,315	$ 215,277,976	$ 232,823,656	$ 214,374,721
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	-4.35%	3.40%	9.01%	6.85%	5.77%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

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

	2019	2018
Total OPEB Liability		
Service cost	$ 3,977,329	$ 3,852,135
Interest	5,471,925	5,163,916
Difference between expected and actual experience	3,910,439	-
Changes of assumptions	-	-
Benefit payments	(3,193,580)	(2,768,581)
Net change in total OPEB liability	10,166,113	6,247,470
Total OPEB Liability - Beginning	107,057,954	100,810,484
Total OPEB Liability - Ending (a)	$ 117,224,067	$ 107,057,954
Plan Fiduciary Net Position		
Contributions - employer	$ 3,377,713	$ 3,351,026
Net investment income	4,723,266	7,044,472
Benefit payments	(3,193,580)	(2,768,581)
Net change in plan fiduciary net position	4,907,399	7,626,917
Plan Fiduciary Net Position - Beginning	116,667,660	109,040,743
Plan Fiduciary Net Position - Ending (b)	$ 121,575,059	$ 116,667,660
Net OPEB Asset - Ending (a) - (b)	$ (4,350,992)	$ (9,609,706)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	103.71%	108.98%
Covered Employee Payroll	$ 218,057,096	$ 206,563,055
Net OPEB Asset as a Percentage of Covered Employee Payroll	2.00%	4.65%
Measurement Date	June 30, 2018	June 30, 2017

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

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 4,131,641	$ 3,955,501	$ 4,185,941	$ 4,011,487	$ 3,955,463
Contribution in relation to the actuarially determined contribution	4,320,969	4,227,560	4,326,584	4,189,977	4,054,415
Contribution deficiency (excess)	$ (189,328)	$ (272,059)	$ (140,643)	$ (178,490)	$ (98,952)
Covered payroll	$ 258,469,111	$ 230,966,535	$ 221,736,315	$ 215,277,976	$ 232,823,656
Contributions as a percentage of covered payroll	1.67%	1.83%	1.95%	1.95%	1.74%

	2019	2018
Actuarially determined contribution	$ 1,011,340	$ -
Contribution in relation to the actuarially determined contribution	5,553,625	3,377,713
Contribution deficiency (excess)	$ (4,542,285)	$ (3,377,713)
Covered payroll	$ 214,374,721	$ 218,057,096
Contributions as a percentage of covered payroll	2.59%	1.55%

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

Year ended June 30,	2024	2023	2022
Proportion of the net OPEB liability	0.3200%	0.3347%	0.3491%
Proportionate share of the net OPEB liability	$ 970,886	$ 1,102,470	$ 1,392,487
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.96%	-0.94%	-0.80%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021

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

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

	2024	2023	2022	2021	2020
CalSTRS					
Proportion of the net pension liability	0.2163%	0.2230%	0.2323%	0.2542%	0.2331%
Proportionate share of the net pension liability	$ 164,750,361	$ 154,954,492	$ 105,693,459	$ 246,350,963	$ 210,565,033
State's proportionate share of the net pension liability associated with the District	78,936,531	77,600,604	53,180,849	126,993,951	114,877,283
Total	$ 243,686,892	$ 232,555,096	$ 158,874,308	$ 373,344,914	$ 325,442,316
Covered payroll	$ 141,000,827	$ 129,220,160	$ 133,531,342	$ 144,073,749	$ 132,829,695
Proportionate share of the net pension liability as a percentage of its covered payroll	116.84%	119.92%	79.15%	170.99%	158.52%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS					
Proportion of the net pension liability	0.5164%	0.5424%	0.5699%	0.5894%	0.5837%
Proportionate share of the net pension liability	$ 186,915,409	$ 186,623,866	$ 115,885,337	$ 180,835,055	$ 170,117,949
Covered payroll	$ 89,460,749	$ 86,242,855	$ 81,746,634	$ 88,750,177	$ 81,545,026
Proportionate share of the net pension liability as a percentage of its covered payroll	208.94%	216.39%	141.76%	203.76%	208.62%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
CalSTRS					
Proportion of the net pension liability	0.2436%	0.2361%	0.2512%	0.2540%	0.2540%
Proportionate share of the net pension liability	$ 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	128,185,139	129,190,966	115,661,585	90,496,390	89,605,779
Total	$ 352,071,022	$ 347,569,619	$ 318,832,513	$ 261,499,350	$ 238,035,759
Covered payroll	$ 135,556,788	$ 129,143,886	$ 128,872,601	$ 119,125,206	$ 111,268,958
Proportionate share of the net pension liability as a percentage of its covered payroll	165.16%	169.10%	157.65%	143.55%	133.40%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS					
Proportion of the net pension liability	0.5953%	0.5793%	0.6079%	0.6383%	0.6295%
Proportionate share of the net pension liability	$ 158,720,637	$ 138,304,139	$ 120,060,427	$ 94,086,050	$ 71,463,577
Covered payroll	$ 82,500,308	$ 77,419,169	$ 76,206,257	$ 71,316,255	$ 68,255,629
Proportionate share of the net pension liability as a percentage of its covered payroll	192.39%	178.64%	157.55%	131.93%	104.70%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

	2024	2023	2022	2021	2020
CalSTRS					
Contractually required contribution	$ 29,291,858	$ 26,931,158	$ 21,864,051	$ 21,633,010	$ 24,641,228
Contributions in relation to the contractually required contribution	(29,291,858)	(26,931,158)	(21,864,051)	(21,633,010)	(24,641,228)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 153,360,513	$ 141,000,827	$ 129,220,160	$ 133,531,342	$ 144,073,749
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS					
Contractually required contribution	$ 27,012,588	$ 22,696,192	$ 19,758,238	$ 16,896,695	$ 17,475,114
Contributions in relation to the contractually required contribution	(27,012,588)	(22,696,192)	(19,758,238)	(16,896,695)	(17,475,114)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 101,246,582	$ 89,460,749	$ 86,242,855	$ 81,746,634	$ 88,750,177
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	$ 21,585,563	$ 19,566,444	$ 16,500,606	$ 12,979,900	$ 10,573,510
Contributions in relation to the contractually required contribution	(21,585,563)	(19,566,444)	(16,500,606)	(12,979,900)	(10,573,510)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$132,829,695	$135,556,788	$129,143,886	$128,872,601	$119,125,206
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS					
Contractually required contribution	$ 14,619,968	$ 12,730,993	$ 10,751,974	$ 8,635,679	$ 8,404,663
Contributions in relation to the contractually required contribution	(14,619,968)	(12,730,993)	(10,751,974)	(8,635,679)	(8,404,663)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 81,545,026	$ 82,500,308	$ 77,419,169	$ 76,206,257	$ 71,316,255
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%

Note 1 - Purpose of Schedules

Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability/(asset), including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability/(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* - Changes to assumptions for the year ended June 30, 2024 are as follows: 1) updated the discount rate from 5.00% to 5.75%, 2) updated demographic assumptions, including mortality improvement scales; 3) updated participation rate assumptions; 4) change in the health care trend rate from 5.80% to 6.50% decreasing to 3.9% since the previous valuation and implicit value for retiree benefits for retirees who are not eligible or enrolled in Medicare.

Schedule of District Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of OPEB Investment Returns

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

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

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

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

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

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

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

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.

Supplementary Information
June 30, 2024

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

Board of Trustees as of June 30, 2024

Member	Office	Term Expires
John Knight	President	2024
Pamela Haynes	Vice President	2024
Kelly Wilkerson	Member	2024
Dustin Johnson	Member	2026
Deborah Ortiz	Member	2026
Robert Jones	Member	2026
Tami Nelson	Member	2024
John (Jay) Doherty	Student Trustee	2024

Administration as of June 30, 2024

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

Auxiliary Organizations in Good Standing

Los Rios Colleges Foundation, established 1978
Master Agreement revised/established October 7, 1998
Paula Allison, President

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		$ 77,470,857
Federal Direct Student Loans	84.268		23,221,884
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		2,368,350
Federal Work-Study Program	84.033		1,394,874
Subtotal Student Financial Assistance Cluster			104,455,965
TRIO Cluster			
TRIO Student Support Services	84.042A		204,069
TRIO STEM Student Support Services	84.042A		685,368
TRIO Veterans Student Support Services	84.042A		221,215
TRIO Journey Student Support Services	84.042A		267,850
TRIO Natomas Talent Search Program	84.044A		308,817
TRIO San Juan Unified School District Talent Search Program	84.044A		354,285
TRIO Upward Bound: Inderkum HS	84.047A		258,612
TRIO Upward Bound: Center HS	84.047A		596,022
TRIO Upward Bound: Monterey Trail and Valley HS	84.047A		299,692
TRIO Upward Bound: Florin HS	84.047A		305,153
TRIO Upward Bound: El Camino HS	84.047M		300,634
Subtotal TRIO Cluster			3,801,717
Hispanic Serving Institutions - Strengthening Institutions	84.031A		465,906
Hispanic Serving Institutions - Strengthening Institutions	84.031S		735,985
Hispanic Serving Institutions - STEM and Articulation Program	84.031C		605,497
Subtotal			1,807,388
Child Care Access Means Parents in School (CCAMPIS)	84.335A		803,622
Prison Reentry and Education Program Expansion Project	84.116Z		489,162
Asian American & Native American Pacific Islander Serving Institutions	84.382B		566,282
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	23-C01-230	3,487,268
Perkins V Reserve	84.048	G0333	102,181
Subtotal			3,589,449
Passed through California Department of Rehabilitation			
Workability III	84.126A	29985	243,185
College to Career	84.126A	30501	265,147
Subtotal			508,332
Total U.S. Department of Education			116,021,917

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Food and Agriculture			
NIFA Ag. Dual Enrollment	10.223	38422	$ 143,671
Passed through California Department of Social Services			
Child and Adult Care Food Program	10.558	13666	83,910
Total U.S. Department of Agriculture			227,581
U.S. Department of Labor			
Strengthening Community Colleges	17.261		381,988
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	2,542,935
Passed through the Regents of the University of California			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	CCSFRF015	132,767
Subtotal			2,675,702
Research and Development Cluster			
National Science Foundation			
Sustainable Interdisciplinary Research to Inspire Success II (SIRIUS II)	47.076		66,523
Department of Defense			
Passed through the Regents of the University of California			
National CAE-C Cybersecurity Workforce Development Program	12.905	[1]	22,048
Subtotal Research and Development Cluster			88,571
U.S. Department of Health and Human Services			
Refugee Career Pathways	93.576		266,268
Child Care and Development Fund (CCDF) Cluster			
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	15-16-7694	42,549
Subtotal CCDF Cluster			42,549
Passed through Foundation for California Community Colleges			
Independent Living Program	93.674	[1]	22,497
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	378,682
Foster and Kinship Care Education	93.658	[1]	101,728
Passed through Association of Public Health Laboratories			
CDC Partnership: Strengthening Public Health Laboratories	93.322	[1]	21,760
Total U.S. Department of Health and Human Services			833,484
Corporation for National and Community Service			
Americorps	94.066		98,054
Total Federal Financial Assistance			$ 120,327,297

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

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program	$ 1,121,188	$ -	$ 973,798	$ 147,390	$ 147,390
Avenue E Scholarly Award	1,094,469	-	856,644	237,825	237,825
Awards for Innovation in Higher Education	501,729	-	488,797	12,932	12,932
Basic Needs	7,406,401	2,293	4,795,620	2,613,074	2,613,074
Board Financial Assistance Program (BFAP)	3,461,245	-	40,957	3,420,288	3,420,288
California College Promise	3,383,446	-	721,505	2,661,941	2,661,941
California Work Opportunity & Responsibility to Kids (CalWORKs)	4,676,630	91,508	2,727,644	2,040,494	2,040,494
Cooperative Agency Resource Education	1,933,001	-	622,413	1,310,588	1,310,588
COVID-19 Block Grant (State Portion)	27,053,794	-	23,161,639	3,892,155	3,892,155
Disabled Students Program & Services	9,595,535	-	3,823,176	5,772,359	5,772,359
Dream Resource Liaison Support Allocation	1,169,805	-	518,423	651,382	651,382
Economic Development	1,913,787	2,383,782	2,342,051	1,955,518	1,955,518
Equal Employment Opportunity	512,400	-	431,194	81,206	81,206
Extended Opportunity Program & Services	9,069,823	-	2,461,891	6,607,932	6,607,932
CDF Tax Bailout	251,987	-	-	251,987	251,987
Child Care Program	2,181,276	158,896	166,025	2,174,147	2,174,147
Capital Outlay Projects	12,836,146	10,000	9,382,103	3,464,043	3,464,043
Community College Construction Act of 1980	40,496,455	14,129,133	2,355,432	52,270,156	52,270,156
Cal Grant	13,951,707	91,816	-	14,043,523	14,043,523
Student Success Completion	13,751,090	-	-	13,751,090	13,751,090
Guided Pathways	1,997,259	-	1,503,564	493,695	493,695
Information Technology and Cybersecurity	1,034,236	-	927,720	106,516	106,516
Inmate Education Pilot Program / Incarcerated Students Reentry	2,348,928	3,771	2,014,836	337,863	337,863
LGBTQ+ Funding	877,088	-	813,907	63,181	63,181
Mathematics, Engineering, Science Achievement (MESA)	2,708,015	-	1,941,150	766,865	766,865
Mental Health Services	3,368,533	-	1,852,822	1,515,711	1,515,711
Native American Student Support and Success Program (NASSSP)	6,000,000	-	5,591,606	408,394	408,394
NEXTUP	2,865,242	-	1,638,366	1,226,876	1,226,876

Program	Program Revenues: Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Nursing Education	$ 395,965	$ -	$ 44,104	$ 351,861	$ 351,861
Refugee Career Pathways	57,308	777,354	-	834,662	834,662
Sacramento K-16 Collaborative	10,174,645	33,493	7,758,018	2,450,120	2,450,120
State Instructional Equipment Funds (SIEF)	9,093,808	-	6,554,952	2,538,856	2,538,856
State On-Behalf Payments CalSTRS	1,344,863	-	-	1,344,863	1,344,863
Strong Workforce Program	34,043,926	1,402,160	17,002,222	18,443,864	18,443,864
Student Equity and Achievement Program	35,048,147	8,656	12,292,992	22,763,811	22,763,811
Student Retention & Enrollment	8,729,036	-	5,666,970	3,062,066	3,062,066
Veterans Resource Center	1,129,417	-	510,353	619,064	619,064
Zero Textbook Cost Degree Program	1,772,525	-	1,249,920	522,605	522,605
Other	943,932	599,876	422,949	1,120,859	1,120,859
Equitable Placement and Completion	3,005,207	-	2,049,051	956,156	956,156
Student Transfer Achievement Reform Act	2,260,868	-	2,220,020	40,848	40,848
Homeless and Housing Insecurity Program	2,908,467	-	2,828,203	80,264	80,264
Umoja Campus Programs	681,671	-	493,103	188,568	188,568
Total state programs	$ 289,151,000	$ 19,692,738	$ 131,246,140	$ 177,597,598	$ 177,597,598

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit*	0.71	-	0.71
2. Credit	296.07	-	296.07
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit*	-	-	-
2. Credit	3,778.03	-	3,778.03
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	13,655.03	-	13,655.03
(b) Daily Census Contact Hours	940.62	-	940.62
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	64.56	-	64.56
(b) Credit	1,973.43	-	1,973.43
3. Alternative Attendance Accounting Procedures Courses			
(a) Weekly Census Procedure Courses	18,192.88	-	18,192.88
(b) Daily Census Procedure Courses	5,539.88	-	5,539.88
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	44,441.21	-	44,441.21
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	1,339.15	-	1,339.15
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	-	-	-
2. Credit	1,167.40	-	1,167.40
CCFS-320 Addendum			
CDCP Noncredit FTES	-	-	-
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	6,147.22	-	6,147.22

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

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 87,852,960	$ -	$ 87,852,960	$ 87,852,960	$ -	$ 87,852,960
Other	1300	54,977,478	-	54,977,478	54,977,478	-	54,977,478
Total Instructional Salaries		142,830,438	-	142,830,438	142,830,438	-	142,830,438
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	36,701,767	-	36,701,767
Other	1400	-	-	-	3,323,103	-	3,323,103
Total Noninstructional Salaries		-	-	-	40,024,870	-	40,024,870
Total Academic Salaries		142,830,438	-	142,830,438	182,855,308	-	182,855,308
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	73,468,913	-	73,468,913
Other	2300	-	-	-	5,401,290	-	5,401,290
Total Noninstructional Salaries		-	-	-	78,870,203	-	78,870,203
Instructional Aides							
Regular Status	2200	5,834,426	-	5,834,426	5,834,426	-	5,834,426
Other	2400	901,504	-	901,504	901,504	-	901,504
Total Instructional Aides		6,735,930	-	6,735,930	6,735,930	-	6,735,930
Total Classified Salaries		6,735,930	-	6,735,930	85,606,133	-	85,606,133
Employee Benefits	3000	55,330,738	-	55,330,738	107,150,156	-	107,150,156
Supplies and Material	4000	-	-	-	4,844,262	-	4,844,262
Other Operating Expenses	5000	10,868,698	-	10,868,698	47,457,005	-	47,457,005
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		215,765,804	-	215,765,804	427,912,864	-	427,912,864

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	3,838,691	-	3,838,691
Lottery Expenditures							-
Academic Salaries	1000	3,061,061	-	3,061,061	3,918,851	-	3,918,851
Classified Salaries	2000	125,546	-	125,546	1,721,871	-	1,721,871
Employee Benefits	3000	562,342	-	562,342	995,422	-	995,422
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110 Reported Data	Audit Adjustments	Revised Data	ECS 84362 B Total CEE AC 0100 - 6799 Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		3,748,949	-	3,748,949	10,474,835	-	10,474,835
Total for ECS 84362, 50% Law		$ 212,016,855	$ -	$ 212,016,855	$ 417,438,029	$ -	$ 417,438,029
% of CEE (Instructional Salary Cost/Total CEE)		50.79%		50.79%	100.00%		100.00%
50% of Current Expense of Education					$ 208,719,014		$ 208,719,014

Activity Classification	Object Code				Unrestricted
EPA Revenues:	8630				$ 39,767,755
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	$ 39,767,755	$ -	$ -	$ 39,767,755
Total Expenditures for EPA		$ 39,767,755	$ -	$ -	$ 39,767,755
Revenues Less Expenditures					$ -

Amounts reported for governmental activities in the Statement of Net Position are different because		
Total fund balance		
General Funds	$ 203,166,538	
Special Revenue Funds	14,289,364	
Capital Project Funds	343,191,133	
Debt Service Funds	57,682,367	
Proprietary Funds	298,888	
Fiduciary Funds	162,524,647	
Total fund balance - all District funds		$ 781,152,937
Amounts held in trust on behalf of others (OPEB Trust and Custodial Funds)		(162,524,647)
The District's investments in the County of Sacramento Investment Pool and the Local Agency Investment Fund are reported at fair market value in the Statement of Net Position.		1,788,651
The net other postemployment benefits (OPEB) asset results from the difference between annual OPEB cost on the accrual basis and OPEB contributions in the governmental funds.		10,057,602
Capital assets and right-to-use subscription IT assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	1,441,670,319	
Accumulated depreciation and amortization is	(545,469,657)	
Less: capital assets already recorded in proprietary funds	(16,744)	
Total capital assets, net		896,183,918
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	2,538,274	
Deferred outflows of resources related to OPEB	26,194,388	
Deferred outflows of resources related to pensions	114,692,399	
Total deferred outflows of resources		143,425,061

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (431,115,045)	
Subscription-based IT arrangements	(2,001,932)	
Net OPEB liability	(970,886)	
Aggregate net pension liability	(351,665,770)	
Total long-term liabilities		$ (785,753,633)
Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources amount to and related to		
Deferred inflows of resources related to OPEB	(22,775,913)	
Deferred inflows of resources related to pensions	(46,267,628)	
Total deferred inflows of resources		(69,043,541)
Total net position		$ 815,286,348

Note 1 - Purpose of Schedules

District Organization

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

Schedule of Expenditures of Federal Awards

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

Summary of Significant Accounting Policies
Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

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

Schedule of Expenditures of State Awards

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

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

FTES is a measurement of the number of 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 (ECS) 84362 (50 Percent Law) Calculation

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Independent Auditor's Reports
June 30, 2024

Los Rios Community College District

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

Board of Trustees
Los Rios Community College District
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, aggregate discretely presented component units, and fiduciary activities of Los Rios Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 3, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 3, 2024

Independent Auditor's Report on Compliance for the 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 the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 3, 2024

Independent Auditor's Report on State Compliance

Board of Trustees
Los Rios Community College District
Sacramento, California

Report on State Compliance

Opinion on State Compliance

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

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Compliance Requirements Tested

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

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation

Section 444 Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 Disabled Student Programs and Services (DSPS)
Section 490 Proposition 1D and 51 State Bond Funded Projects
Section 491 Education Protection Account Funds
Section 492 Student Representation Fee
Section 494 State Fiscal Recovery Fund
Section 499 COVID-19 Response Block Grant Expenditures

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 3, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

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

Identification of major programs:

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

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

STATE COMPLIANCE

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

None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

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.

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 2024 population estimate of 20,790. 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
2021	1,581,162	191,211	215,702	39,369,530
2022	1,577,672	190,549	219,340	39,179,680
2023	1,583,676	188,063	221,467	39,228,444
2024	1,596,281	190,632	224,088	39,420,663
2025	1,604,745	190,770	225,433	39,529,101

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 2019 through 2023. 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-Folsom MSA was 4.7 percent in March 2025, down from a revised 4.9 percent in February 2025, and above the year-ago estimate of 4.6 percent. This compares with an unadjusted unemployment rate of 5.3 percent for California and 4.2 percent for the nation during the same period. The unemployment rate was 4.9 percent in El Dorado County, 4.1 percent in Placer County, 4.7 percent in Sacramento County, and 5.6 percent in Yolo County.

SACRAMENTO- ROSEVILLE-ARDEN ARCADE MSA
El Dorado, Placer, Sacramento, Yolo Counties
Employment by Industry
Calendar Years 2019 through 2023
(March 2023 Benchmark)

	2019	2020	2021	2022	2023
Civilian Labor Force (1)	1,099,300	1,093,500	1,105,400	1,112,100	1,129,200
Employment	1,059,200	996,600	1,034,400	1,069,700	1,080,500
Unemployment	40,100	96,900	71,000	42,400	48,600
Unemployment Rate	3.7%	8.9%	6.4%	3.8%	4.3%
Wage and Salary Employment (2)					
Agriculture	8,700	8,300	9,000	8,600	9,100
Mining and Logging	500	500	500	500	500
Construction	69,400	70,200	74,900	77,100	74,700
Manufacturing	36,800	36,100	37,700	40,600	40,500
Wholesale Trade	28,600	26,600	26,900	28,300	28,500
Retail Trade	100,500	95,100	100,600	100,300	99,000
Transportation, Warehousing and Utilities	32,200	34,300	37,500	40,800	41,600
Information	11,900	10,200	10,100	10,500	9,900
Finance and Insurance	35,200	34,800	34,100	33,000	30,500
Real Estate and Rental and Leasing	17,300	16,900	17,700	18,800	18,400
Professional and Business Services	137,200	132,600	137,200	139,700	134,400
Educational and Health Services	166,600	164,000	168,800	175,600	188,700
Leisure and Hospitality	109,600	83,900	93,600	108,700	112,500
Other Services	35,400	31,000	33,300	36,100	38,300
Federal Government	14,200	14,800	14,500	14,400	14,500
State Government	121,900	121,700	127,300	129,800	134,400
Local Government	105,300	98,900	98,400	102,700	107,400
Total, All Industries (3)	1,031,200	979,800	1,021,900	1,065,400	1,083,000

(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 May 2025)

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions Inc	Folsom	Information Technology Services
American River College	Sacramento	Junior-Community College-Tech Institutes
Ampac Fine Chemicals LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Colliers International Ltd	Sacramento	Real Estate
Department-Corrections-Rehab	Sacramento	State Govt-Correctional Institutions
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Employment Development Dept	Sacramento	Outplacement Consultants
Environmental Protection Agcy	Sacramento	State Government-Air/Water/Solid Waste Manage
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	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, 2025 1st Edition.

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

EL DORADO COUNTY
Major Employers
(As of May 2025)

Employer	Location	Industry
Beach Retreat & Lodge	South Lake Tahoe	Hotels & Motels
Blue Shield of California	El Dorado Hills	Insurance
Broadridge Financial Solutions	El Dorado Hills	Business Services NEC
Camp Richardson Lake Tahoe	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	Car Service
El Dorado Irrigation District	Placerville	Utilities
Lake Tahoe Community College	South Lake Tahoe	Junior-Community College-Tech Institutes
Marriott's Timber Lodge	South Lake Tahoe	Hotels & Motels
More	Placerville	Vocational Rehabilitation Services
Nugget Markets	El Dorado Hills	Grocers-Retail
Oak Ridge High School	El Dorado Hills	Schools
Raley's	Placerville	Grocers-Retail
Safeway	South Lake Tahoe	Grocers-Retail
Safeway	El Dorado Hills	Grocers-Retail
Sierra-At-Tahoe Resort	Twin Bridges	Skiing Centers & Resorts
Sky Mountain Charter School	Placerville	Schools
South Lake Tahoe City Manager	South Lake Tahoe	City Government-Executive Offices
Spare Time Inc	El Dorado Hills	Health Clubs Studios & Gymnasiums
Transitional Learning Ctr High	South Lake Tahoe	Schools
Zephyr Cove Resort	South Lake Tahoe	Marinas

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition.

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

YOLO COUNTY
Major Employers
(As of May 2025)

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
Clark Pacific	West Sacramento	Concrete Products-Except Block & Brick (mfrs)
Dennis Blazona Constr Inc	West Sacramento	Construction Companies
Fedex Freight	West Sacramento	Trucking-Motor Freight
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	Canned Specialties (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	Food Products (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, 2025 1st 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 2021 through 2025.

SACRAMENTO, EL DORADO AND YOLO COUNTIES,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income 2021 through 2025

Year	Area	Total Effective Buying Income (000s' Omitted)	Median Household Effective Buying Income
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
2023	Sacramento County	$51,865,551	$70,001
	El Dorado County	8,459,722	81,743
	Yolo County	7,738,133	71,568
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	Sacramento County	$55,595,639	$76,261
	El Dorado County	9,264,986	86,918
	Yolo County	8,323,259	73,555
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	Sacramento County	$56,462,729	$77,174
	El Dorado County	10,015,248	95,149
	Yolo County	8,254,276	76,002
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Source: Claritas, LLC.

Commercial Activity

Sacramento County. Total taxable sales during calendar year 2024 in Sacramento County were reported to be $35,807,896,200, a 0.08% increase in the total taxable sales of $35,778,876,667 reported during calendar year 2023

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.

SACRAMENTO COUNTY
Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	**Taxable Transactions**	**Number of Permits**	**Taxable Transactions**
2020	28,055	$18,288,243	45,361	$26,837,392
2021	25,936	23,764,691	42,482	33,875,840
2022	26,589	24,679,703	44,158	36,511,260
2023	25,913	24,289,157	43,252	35,778,877
2024	26,277	24,651,901	44,359	35,807,896

Source: State Department of Tax and Fee Administration.

El Dorado County. Total taxable sales during calendar year 2024 in El Dorado County were reported to be $3,223,345,625, a 1.76% decrease from the total taxable sales of $3,280,998,450 reported during calendar year 2023.

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.

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**
2020	4,332	$2,005,650	7,309	$2,707,847
2021	3,797	2,283,027	6,547	3,120,528
2022	3,821	2,432,789	6,664	3,382,159
2023	3,561	2,332,040	6,354	3,280,998
2024	3,563	2,286,033	6,376	3,223,346

Source: State Department of Tax and Fee Administration.

Yolo County. Total taxable sales during calendar year 2024 in Yolo County were reported to be $5,735,247,106, a 0.33% decrease from the total taxable sales of $5,754,458,969 reported during calendar year 2023.

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.

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**
2020	3,073	$2,830,637	5,654	$4,649,603
2021	2,842	3,277,814	5,291	5,360,715
2022	2,898	3,419,266	5,453	5,915,446
2023	2,817	3,277,225	5,387	5,754,459
2024	2,770	3,203,336	5,379	5,735,247

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.

SACRAMENTO COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

	2019	2020	2021	2022	2023
Permit Valuation					
New Single-family	$1,108,399.9	$1,008,390.7	$1,310,379.5	$1,183,213.4	$1,408,893.4
New Multi-family	265,188.8	467,418.7	323,462.6	413,368.8	421,365.8
Res. Alterations/Additions	293,210.5	262,864.6	276,570.4	373,409.6	332,233.2
Total Residential	1,666,799.2	1,738,674.0	1,910,412.5	1,969,991.8	2,162,492.4
New Commercial	666,664.3	449,494.3	197,946.8	268,582.0	256,310.9
New Industrial	31,851.4	31,155.0	83,171.4	38,163.3	0.0
New Other	105,555.1	75,356.7	104,932.9	155,071.3	294,989.6
Com. Alterations/Additions	700,604.0	335,458.0	320,447.6	432,950.0	569,570.4
Total Nonresidential	1,504,674.8	891,464.0	706,498.7	894,766.6	1,120,870.9
New Dwelling Units					
Single Family	3,981	3,588	4,205	3,832	4,181
Multiple Family	2,008	2,868	2,266	3,419	6,074
TOTAL	5,989	6,456	6,471	7,251	10,255

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.

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

	2019	2020	2021	2022	2023
Permit Valuation					
New Single-family	$404,049.4	$271,705.8	$272,949.4	$272,193.6	$159,867.1
New Multi-family	14,250.0	2,621.6	0.0	34,910.0	321.0
Res. Alterations/Additions	39,291.3	30,270.3	42,208.2	58,069.1	27,824.1
Total Residential	457,590.7	304,597.7	315,157.6	365,172.7	188,012.2
New Commercial	42,622.0	16,917.1	37,727.2	33,737.9	11,135.6
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	35,357.3	28,555.7	44,229.5	46,142.7	30,138.5
Com. Alterations/Additions	27,883.6	24,950.1	23,256.9	46,318.6	27,777.3
Total Nonresidential	105,862.9	70,422.9	105,213.6	126,199.2	69,051.4
New Dwelling Units					
Single Family	595	649	697	626	523
Multiple Family	18	7	0	83	2
TOTAL	613	656	697	709	525

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.

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

	2019	2020	2021	2022	2023
Permit Valuation:					
New Single-family	$215,616.8	$173,602.4	$144,052.1	$176,561.3	$180,331.6
New Multi-family	66,106.0	59,212.2	82,352.8	110,906.0	125,960.4
Res. Alterations/Additions	28,876.0	17,352.3	17,734.7	38,650.1	52,684.4
Total Residential	310,598.8	250,166.9	244,139.6	326,117.4	358,976.4
New Commercial	107,134.4	106,474.3	90,531.5	70,942.8	89,040.6
New Industrial	4,106.3	1,288.0	7,000.0	0.0	9,900.0
New Other	14,368.4	14,676.5	20,617.0	25,057.7	83.300.5
Alterations/Additions	104,473.7	42,076.4	30,779.8	48,303.0	64,834.0
Total Nonresidential	230,082.8	164,515.2	148,928.3	144,303.5	163,774.6
New Dwelling Units					
Single Family	716	539	474	521	563
Multiple Family	292	503	538	679	473
TOTAL	1,008	1,042	1,012	1,200	1,036

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

Opinion Relating to the Series F Bonds

[LETTERHEAD OF JONES HALL, A PROFESSIONAL LAW CORPORATION]

[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)
General Obligation Bonds, 2008 Election, Series F

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) General Obligation Bonds, 2008 Election, Series F, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and Resolution No. ______ adopted by the Board of Trustees of the District (the "Board") on April 9, 2025 (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 Bond 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 community college 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. It should be noted however that interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences 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

Opinion Relating to the Refunding Bonds

[LETTERHEAD OF JONES HALL, A PROFESSIONAL LAW CORPORATION]

[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)
2025 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) 2025 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 Sections 53550 and 53580 of said Code, and Resolution No. _____ adopted by the Board of Trustees of the District (the "Board") on April 9, 2025 (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 Bond 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 community college 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. It should be noted however that interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences 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	**LOS RIOS COMMUNITY COLLEGE DISTRICT**
(Sacramento County, California)*	**(Sacramento County, California)***
General Obligation Bonds, 2008 Election	**2025 Refunding General Obligation Bonds**
Series F	

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 two separate resolutions adopted by the Board of Trustees of the District on April 9, 2025 (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 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. <u>Provision of Annual Reports</u>.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2026 with the report for the 2024-25 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. <u>Content of Annual Reports</u>. 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 (if any) 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: _____, 2025

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.

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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 2025

Approved by the
Sacramento County Board of Supervisors

December 3, 2024
Resolution No. 2024-0908

Table of Contents

SACRAMENTO COUNTY

Annual Investment Policy

of the Pooled Investment Fund

CALENDAR YEAR 2025

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) and similarly-sized California county pools will be used as performance benchmarks.

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 in securities 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) deposits, 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.

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.*
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
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	270 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

[1] The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

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 Group 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 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 include par value and any interest earnings in 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 $590 for the period January 1, 2023, to December 31, 2024. The limitation for January 1, 2025, to December

31, 2026, will be amended to reflect biennial cost of living adjustments by the State Fair Political Practices Commission by January 2025. 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**
Best-quality grade	Aaa	AAA	AAA
High-quality grade	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 A2 A3	A+ A A-	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-
Speculative Grade	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-
Low Grade	B1 B2 B3	B+ B B-	B+ B B-
Poor Grade to Default	Caa	CCC+	CCC
In Poor Standing	- -	CCC CCC-	- -
Highly Speculative Default	Ca C	CC -	CC -
Default	- - -	- - D	DDD DD D

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

Quarterly Pooled Investment Fund Report

As Prescribed By
California Government Code Section 53646

For The Quarter Ended March 31, 2025

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 2025 Investment Policy during the quarter ended March 31, 2025.

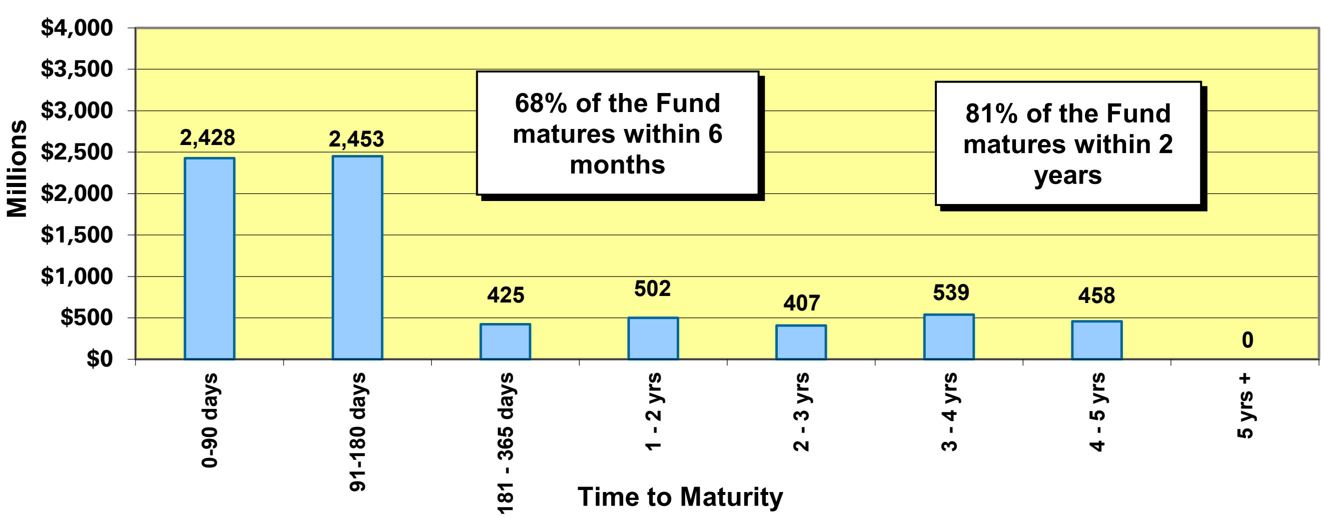
Portfolio Statistics	Quarter Ended 12/31/24	Quarter Ended 03/31/25
Average Daily Balance	$6,942,998,400	$7,331,433,400
Period-End Balance	$7,852,285,450	$7,210,533,875
Earned Interest Yield	4.302%	4.143%
Weighted Average Maturity	333 Days	359 Days
Duration in Years	0.834	0.900
Amortized Book Value	$7,857,281,912	$7,216,804,172
Market Value	$7,866,825,226	$7,227,011,671
Percent of Market to Cost	100.12%	100.14%

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 6 basis points or 0.06%. 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, 2025[1]

Investment Description	Percentage of Portfolio at Cost 12/31/2024	Percentage of Portfolio at Cost 03/31/2025	Percentage of Portfolio at Market 03/31/2025	Earned Interest Yield at 03/31/2025
US Agency, Treasury & Municipal Notes (USATM):				
US Agency Notes	**28.35%**	**27.90%**	**28.02%**	**3.821%**
Notes/Discount Notes FFCB	8.11%	*8.85%*	*8.86%*	*3.805%*
Notes/Discount Notes FHLB	17.48%	*17.00%*	*17.11%*	*4.204%*
Notes/Discount Notes FNMA	1.26%	*1.37%*	*1.37%*	*0.717%*
Notes/Discount Notes FHLMC	1.51%	*0.68%*	*0.68%*	*0.724%*
US Treasury Notes/Discount Notes	**1.58%**	**0.70%**	**0.70%**	**4.214%**
Municipal Notes	**0.68%**	**0.53%**	**0.53%**	**4.302%**
Total USATM	**30.61%**	**29.13%**	**29.24%**	**3.839%**
Repurchase Agreements	**0.00%**	**0.00%**	**0.00%**	**0.000%**
Supranationals	**20.74%**	**21.60%**	**21.44%**	**3.254%**
Commercial Paper	**22.41%**	**20.35%**	**20.46%**	**4.532%**
Certificates of Deposit	**22.29%**	**26.21%**	**26.15%**	**4.519%**
LAIF	**0.96%**	**1.04%**	**1.04%**	**4.313%**
Bank Money Market	**1.53%**	**1.67%**	**1.67%**	**4.222%**
Money Market Accounts	**1.47%**	**0.00%**	**0.00%**	**0.000%**

POOLED INVESTMENT FUND MATURITIES AS OF MARCH 31, 2025
$7,211 Billion



[1] Percentages may not add up to 100% due to rounding

Projected Cash Flow

Based upon our cash flow model projection dated April 18, 2025, summarized below, we have sufficient cash flow to meet expenditures for the next 12 months.

Month	Bank Balance	Maturities & Interest	Receipts	Disbursements	Difference	Less Investments Beyond One Year	Funds Available for Future Cash Flow Needs*
Dollar amounts represented in millions							
Apr	20.0	$304.9	$1,627.1	$1,233.4	$698.6	$40.0	$658.6
May	20.0	$1,115.9	$902.1	$1,394.3	$623.7	$40.0	$583.7
Jun	20.0	$883.5	$1,117.0	$1,067.8	$932.7	$40.0	$892.7
Jul	20.0	$1,080.3	$696.0	$1,648.8	$127.5	$40.0	$87.5
Aug	20.0	$993.4	$838.4	$1,395.1	$436.7	$40.0	$396.7
Sep	20.0	$665.2	$1,249.9	$1,083.2	$831.9	$40.0	$791.9
Oct	20.0	$916.4	$912.2	$1,190.1	$638.5	$40.0	$598.5
Nov	20.0	$145.4	$1,039.3	$986.4	$198.3	$40.0	$158.3
Dec	20.0	$4.3	$1,971.8	$1,257.5	$718.6	$40.0	$678.6
Jan	20.0	$42.4	$874.4	$1,498.2	($581.4)	$40.0	($621.4)
Feb	20.0	$3.9	$919.2	$1,199.7	($276.6)	$40.0	($316.6)
Mar	20.0	$34.5	$1,122.5	$1,229.5	($72.5)	$40.0	($112.5)

***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, 2025, 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, 2025:

Investment	Firm	Amount
Local Agency Investment Fund	State Treasurer's Office	$75,000,00.00

The Fund uses an external investment accounting system called SymPro by Emphasys Software. The market valuations are based upon the pricing of Interactive Data Corporation (IDC).

THIS COMPLETES THE QUARTERLY REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE § 53646.

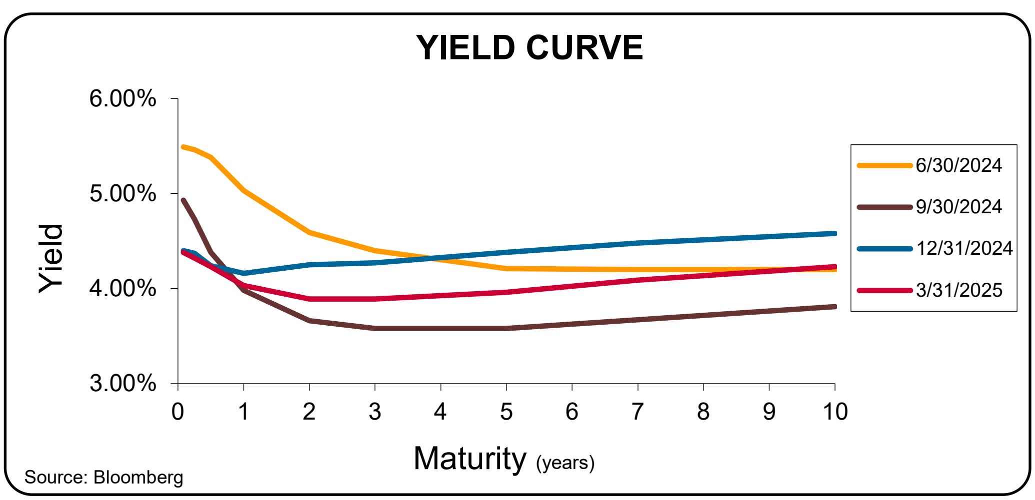
Financial Markets Commentary

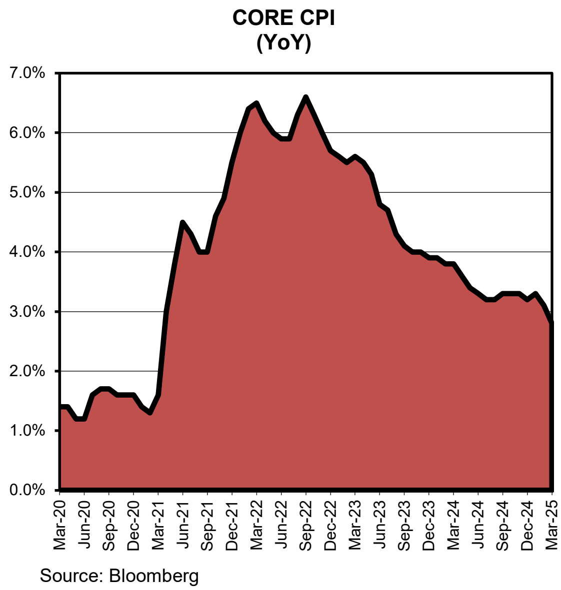
On March 19, 2025, the Federal Open Market Committee (FOMC) left the federal funds rate unchanged at a range of 4.25% to 4.50% for the second straight meeting after 1 percentage point in rate cuts over the final three meetings of 2024. The FOMC made some changes to its statement, highlighting the increasing uncertainty of the economic outlook. Notably the FOMC reduced its median forecast for Gross Domestic Product growth through 2027. During the March 2025 post-meeting press conference, Chair Powell said any future tariff inflation was likely transitory. Interest rates immediately fell on the news with markets interpreting the Chair as being more willing to cut future interest rates on weaker growth prospects.

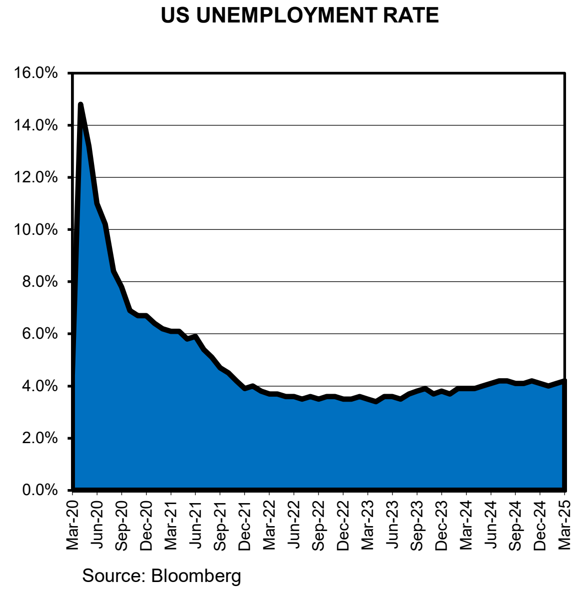
On April 2, 2025, President Trump unveiled sweeping tariffs that sent equity markets crashing. A week later the president reversed course and paused the tariffs for 90 days as the equity market losses spread and steep losses in US Treasuries market and the dollar materialized. The 10-year Treasury note yield rose to 4.49% during the same week, the biggest weekly increase since September 11, 2001, while gold rose to nearly $3,500/oz for the first time.

Despite the resiliency of the US economy, the uncertainty over trade policy will dominate financial markets until the Trump administration clearly defines its goals and policy objectives. The US unemployment rate remains near multi-decade lows, and monthly nonfarm payrolls continue to average over 150,000. However, the soft data has weakened substantially since President Trump's trade war emerged. The University of Michigan Consumer sentiment surveys for March showed long-run inflation expectations surged to 3.9%, the largest month-over-month increase since 1993.

Based on the FOMC's current projections for inflation and growth and the current environment, we expect the yield on the Pooled Investment Fund to marginally decrease over the next few quarters.







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 November 2025. 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 3.85% and 4.05%.

Respectfully submitted,	Concur,
Bernard Santo Domingo	Chad Rinde
Chief Investment Officer	Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: April 25, 2025

OVERCOM POOL REPORT 1
Investments by All Types
Active Investments
March 31, 2025

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Money Market Accounts											
5STARMMA	84745	100	Five Star Bank		20,086,492.26	100.0000000	20,086,492.26	5.080			
SYS85966	85966	100	Federated		0.00	100.0000000	0.00	4.770			
SYS85903	85903	100	Fidelity		0.00	100.0000000	0.00	4.310			
				Subtotal	**20,086,492.26**		**20,086,492.26**				
State Pool											
LAIF	57960	100	LAIF		75,000,000.00	100.0000000	75,000,000.00	4.313			
				Subtotal	**75,000,000.00**		**75,000,000.00**				
Certificates of Deposit											
05252WWF6	85943	100	Aust & NZ Bank		100,000,000.00	100.0000000	100,000,000.00	4.380	05/16/2025		
05252WWG4	85945	100	Aust & NZ Bank		50,000,000.00	100.0000000	50,000,000.00	4.430	04/03/2025		
05252WWN9	85961	100	Aust & NZ Bank		135,000,000.00	100.0000000	135,000,000.00	4.410	05/16/2025		
06418NDV1	85967	100	Bank of Nova Scotia		45,000,000.00	100.0000000	45,000,000.00	4.510	05/05/2025		
06418NDW9	85968	100	Bank of Nova Scotia		70,000,000.00	100.0000000	70,000,000.00	4.510	05/06/2025		
06418NEC2	85989	100	Bank of Nova Scotia		55,000,000.00	100.0000000	55,000,000.00	4.520	05/12/2025		
06418NEJ7	85992	100	Bank of Nova Scotia		40,000,000.00	100.0000000	40,000,000.00	4.550	05/20/2025		
06418NEK4	85993	100	Bank of Nova Scotia		50,000,000.00	100.0000000	50,000,000.00	4.550	05/22/2025		
13606DDK5	86029	100	Canadian Imperial Bank Corp		40,000,000.00	100.0000000	40,000,000.00	4.510	06/09/2025		
13606DFE7	86108	100	Canadian Imperial Bank Corp		55,000,000.00	100.0000000	55,000,000.00	4.420	08/15/2025		
65558WEQ7	85970	100	NORDEA BANK		50,000,000.00	100.0000000	50,000,000.00	4.540	05/02/2025		
65558WEY0	85991	100	NORDEA BANK		30,000,000.00	100.0000000	30,000,000.00	4.510	05/19/2025		
65558WFC7	85998	100	NORDEA BANK		55,000,000.00	100.0000000	55,000,000.00	4.570	05/27/2025		
65558WFG8	86001	100	NORDEA BANK		70,000,000.00	100.0000000	70,000,000.00	4.520	05/23/2025		
65558WFK9	86009	100	NORDEA BANK		105,000,000.00	100.0000000	105,000,000.00	4.520	06/06/2025		
65558WFW3	86074	100	NORDEA BANK		50,000,000.00	100.0000000	50,000,000.00	4.420	07/18/2025		
78015JXP7	85944	100	Royal Bank of Canada		45,000,000.00	100.0000000	45,000,000.00	4.560	05/16/2025		
78015JA80	86038	100	Royal Bank of Canada		35,000,000.00	100.0000000	35,000,000.00	4.440	06/10/2025		
83050YCS7	86181	100	Skandinaviska		50,000,000.00	100.0000000	50,000,000.00	4.380	08/29/2025		
86959TJY3	86047	100	Svenska		65,000,000.00	100.0025115	65,001,632.47	4.495	06/20/2025		

OVERCOM POOL REPORT 1
Investments by All Types
March 31, 2025

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Certificates of Deposit											
86959TKK1	86063	100	Svenska		60,000,000.00	100.0026188	60,001,571.27	4.405	07/18/2025		
86959TLV6	86159	100	Svenska		70,000,000.00	100.0023941	70,001,675.88	4.305	09/02/2025		
86959TMD5	86176	100	Svenska		155,000,000.00	100.0025927	155,004,018.63	4.375	10/01/2025		
87019WZW8	85958	100	SWEDBANK		45,000,000.00	100.0000000	45,000,000.00	4.560	04/02/2025		
87019WB20	85999	100	SWEDBANK		50,000,000.00	100.0000000	50,000,000.00	4.560	04/01/2025		
87019WB38	86003	100	SWEDBANK		60,000,000.00	100.0000000	60,000,000.00	4.550	06/04/2025		
87019WC94	86053	100	SWEDBANK		45,000,000.00	100.0000000	45,000,000.00	4.380	06/16/2025		
87019WE27	86125	100	SWEDBANK		50,000,000.00	100.0000000	50,000,000.00	4.390	08/07/2025		
87019WE76	86141	100	SWEDBANK		95,000,000.00	100.0000000	95,000,000.00	4.270	09/02/2025		
96130AYN2	86050	100	Westpac Bank		45,000,000.00	100.0000000	45,000,000.00	4.440	07/07/2025		
				Subtotal	**1,870,000,000.00**		**1,870,008,898.25**				
CRA CDs											
SYS85651	85651	100	East West		20,000,000.00	100.0000000	20,000,000.00	5.070	04/11/2025		
				Subtotal	**20,000,000.00**		**20,000,000.00**				
Commercial Paper Disc. -At Cost											
06366GR43	85938	100	Bank of Montreal		20,000,000.00	97.8000000	19,560,000.00	4.500	04/04/2025		
06366GSG5	85972	100	Bank of Montreal		25,000,000.00	97.6284167	24,407,104.17	4.470	05/16/2025		
06366GSE0	85988	100	Bank of Montreal		20,000,000.00	97.6780833	19,535,616.67	4.470	05/14/2025		
06366GT58	86024	100	Bank of Montreal		60,000,000.00	97.8293889	58,697,633.33	4.390	06/05/2025		
06366GTP4	86054	100	Bank of Montreal		20,000,000.00	97.8590556	19,571,811.11	4.330	06/23/2025		
06366GUJ6	86076	100	Bank of Montreal		30,000,000.00	97.7110000	29,313,300.00	4.360	07/18/2025		
06366GUM9	86080	100	Bank of Montreal		35,000,000.00	97.7231111	34,203,088.89	4.360	07/21/2025		
06366GV14	86120	100	Bank of Montreal		40,000,000.00	97.8854167	39,154,166.67	4.350	08/01/2025		
06366GVJ5	86122	100	Bank of Montreal		60,000,000.00	97.7594444	58,655,666.67	4.360	08/18/2025		
06366GX79	86184	100	Bank of Montreal		60,000,000.00	97.7108056	58,626,483.33	4.270	10/07/2025		
13607ESF7	85953	100	Canadian Imperial Bank Corp		25,000,000.00	97.4670000	24,366,750.00	4.470	05/15/2025		
13609BV18	86093	100	Canadian Imperial Bank Corp		60,000,000.00	97.7252778	58,635,166.67	4.310	08/01/2025		
13609BV18	86107	100	Canadian Imperial Bank Corp		25,000,000.00	97.8689444	24,467,236.11	4.310	08/01/2025		
13607EVK2	86157	100	Canadian Imperial Bank Corp		45,000,000.00	98.0658333	44,129,625.00	4.220	08/19/2025		
13607EVM8	86164	100	Canadian Imperial Bank Corp		40,000,000.00	98.1200000	39,248,000.00	4.230	08/21/2025		
13607EVF3	86169	100	Canadian Imperial Bank Corp		20,000,000.00	98.2285556	19,645,711.11	4.280	08/15/2025		

OVERCOM POOL REPORT 1
Investments by All Types
March 31, 2025

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Commercial Paper Disc. -At Cost											
16677JR16	85948	100	Chevron Corp		56,000,000.00	97.9420833	54,847,566.67	4.490	04/01/2025		
16677JR73	85950	100	Chevron Corp		50,000,000.00	97.9233333	48,961,666.67	4.450	04/07/2025		
63763PTW9	86083	100	National Securities		45,000,000.00	98.0337500	44,115,187.50	4.290	06/30/2025		
63763PV55	86139	100	National Securities		85,000,000.00	98.1701389	83,444,618.06	4.250	08/05/2025		
63763PVD8	86178	100	National Securities		50,000,000.00	98.3354167	49,167,708.33	4.250	08/13/2025		
78015CS11	85849	100	Royal Bank of Canada		125,000,000.00	96.8507500	121,063,437.50	4.590	05/01/2025		
78015CT28	86007	100	Royal Bank of Canada		30,000,000.00	97.6708889	29,301,266.67	4.460	06/02/2025		
78015CU26	86057	100	Royal Bank of Canada		15,000,000.00	97.7920000	14,668,800.00	4.320	07/02/2025		
78015CUJ9	86059	100	Royal Bank of Canada		40,000,000.00	97.6643333	39,065,733.33	4.290	07/18/2025		
78015CW40	86138	100	Royal Bank of Canada		65,000,000.00	97.8262500	63,587,062.50	4.230	09/04/2025		
89116ET29	86002	100	Toronto Dominion		75,000,000.00	97.6053333	73,204,000.00	4.490	06/02/2025		
89116ET37	86011	100	Toronto Dominion		50,000,000.00	97.7023333	48,851,166.67	4.520	06/03/2025		
89116ETD5	86028	100	Toronto Dominion		30,000,000.00	97.7234722	29,317,041.67	4.430	06/13/2025		
89116EU27	86056	100	Toronto Dominion		20,000,000.00	97.7613333	19,552,266.67	4.380	07/02/2025		
89116EUE1	86062	100	Toronto Dominion		40,000,000.00	97.7320000	39,092,800.00	4.320	07/14/2025		
89116EUF8	86064	100	Toronto Dominion		30,000,000.00	97.7372500	29,321,175.00	4.310	07/15/2025		
89116EUH4	86075	100	Toronto Dominion		30,000,000.00	97.7372500	29,321,175.00	4.310	07/17/2025		
89116EUJ0	86078	100	Toronto Dominion		20,000,000.00	97.7473333	19,549,466.67	4.360	07/18/2025		
89116EUQ4	86091	100	Toronto Dominion		20,000,000.00	97.8040000	19,560,800.00	4.320	07/24/2025		
89116EVB6	86175	100	Toronto Dominion		40,000,000.00	98.3238889	39,329,555.56	4.310	08/11/2025		
				Subtotal	**1,501,000,000.00**		**1,467,539,854.20**				
Federal Agency Coupon Securities											
3133ELKA1	84107	100	Federal Farm Credit Bank		35,802,000.00	104.2530000	37,324,659.06	1.750	01/28/2026		
3133ENTS9	84521	100	Federal Farm Credit Bank		25,000,000.00	99.2290000	24,807,250.00	2.600	04/05/2027		
3133ENG87	84650	100	Federal Farm Credit Bank		25,000,000.00	99.5127000	24,878,175.00	2.920	08/17/2027		
3133ENL99	84739	100	Federal Farm Credit Bank		30,000,000.00	96.5629000	28,968,870.00	3.375	09/15/2027		
3133EPFU4	85024	100	Federal Farm Credit Bank		20,000,000.00	98.4898539	19,697,970.77	3.500	04/12/2028		
3133EPJD8	85061	100	Federal Farm Credit Bank		30,000,000.00	99.6725000	29,901,750.00	3.600	05/09/2028		
3133EPC45	85368	100	Federal Farm Credit Bank		30,000,000.00	99.2786000	29,783,580.00	4.625	11/13/2028		
3133ERDH1	85706	100	Federal Farm Credit Bank		40,000,000.00	101.0610000	40,424,400.00	4.750	04/30/2029		
3133ERVU2	85924	100	Federal Farm Credit Bank		50,000,000.00	99.2855000	49,642,750.00	3.500	10/02/2026		
3133ERWP2	85947	100	Federal Farm Credit Bank		50,000,000.00	99.6520000	49,826,000.00	3.875	10/01/2025		
3133ERL41	86046	100	Federal Farm Credit Bank		20,000,000.00	99.8435000	19,968,700.00	4.125	12/17/2029		

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CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Coupon Securities											
3130AQF65	84383	100	Federal Home Loan Bank		25,000,000.00	99.7238230	24,930,955.75	1.250	12/21/2026		
3130ATS57	85025	100	Federal Home Loan Bank		10,000,000.00	102.9610000	10,296,100.00	4.500	03/10/2028		
3130AWTR1	85254	100	Federal Home Loan Bank		30,000,000.00	99.3070770	29,792,123.10	4.375	09/08/2028		
3130AXQK7	85452	100	Federal Home Loan Bank		30,000,000.00	103.7008000	31,110,240.00	4.750	12/08/2028		
3130ATUT2	86044	100	Federal Home Loan Bank		20,000,000.00	101.5369000	20,307,380.00	4.500	12/14/2029		
3137EAEU9	84141	100	Federal Home Loan Mtg Corp		50,000,000.00	98.5980000	49,299,000.00	0.375	07/21/2025		
3135G05X7	84024	100	Federal National Mtg Assn		50,000,000.00	98.4598000	49,229,900.00	0.375	08/25/2025		
3135G04Z3	84145	100	Federal National Mtg Assn		50,000,000.00	99.1973000	49,598,650.00	0.500	06/17/2025		
				Subtotal	**620,802,000.00**		**619,788,453.68**				
Federal Agency Disc. -At Cost											
313313DU9	85867	100	Federal Farm Credit Bank		25,000,000.00	97.4577778	24,364,444.44	4.400	04/01/2025		
313313FY9	85916	100	Federal Farm Credit Bank		40,000,000.00	97.3357222	38,934,288.89	4.030	05/23/2025		
313313ME5	85917	100	Federal Farm Credit Bank		60,000,000.00	96.1375556	57,682,533.33	3.820	09/26/2025		
313313GR3	86041	100	Federal Farm Credit Bank		35,000,000.00	97.9282778	34,274,897.22	4.190	06/09/2025		
313313HY7	86042	100	Federal Farm Credit Bank		40,000,000.00	97.6023056	39,040,922.22	4.130	07/10/2025		
313313LM8	86186	100	Federal Farm Credit Bank		90,000,000.00	98.1640000	88,347,600.00	4.080	09/09/2025		
313385FG6	85899	100	Federal Home Loan Bank		50,000,000.00	97.3577778	48,678,888.89	4.100	05/07/2025		
313385FJ0	85900	100	Federal Home Loan Bank		65,000,000.00	97.3350000	63,267,750.00	4.100	05/09/2025		
313385HN9	86020	100	Federal Home Loan Bank		100,000,000.00	97.6395833	97,639,583.33	4.125	06/30/2025		
313385JG2	86023	100	Federal Home Loan Bank		200,000,000.00	97.4799861	194,959,972.22	4.105	07/18/2025		
313385HP4	86052	100	Federal Home Loan Bank		115,000,000.00	97.8443056	112,520,951.39	4.150	07/01/2025		
313385HR0	86055	100	Federal Home Loan Bank		110,000,000.00	97.8327778	107,616,055.56	4.150	07/03/2025		
313385HW9	86060	100	Federal Home Loan Bank		90,000,000.00	97.8790833	88,091,175.00	4.105	07/08/2025		
313385HX7	86061	100	Federal Home Loan Bank		30,000,000.00	97.8676806	29,360,304.17	4.105	07/09/2025		
313385JW7	86084	100	Federal Home Loan Bank		100,000,000.00	97.7427083	97,742,708.33	4.125	08/01/2025		
313385JW7	86096	100	Federal Home Loan Bank		50,000,000.00	97.8396250	48,919,812.50	4.115	08/01/2025		
313385JW7	86101	100	Federal Home Loan Bank		75,000,000.00	97.8879167	73,415,937.50	4.110	08/01/2025		
313385JZ0	86129	100	Federal Home Loan Bank		90,000,000.00	98.1648750	88,348,387.50	4.155	08/04/2025		
313385LQ7	86153	100	Federal Home Loan Bank		60,000,000.00	97.8677778	58,720,666.67	4.040	09/12/2025		
				Subtotal	**1,425,000,000.00**		**1,391,926,879.16**				
Treasury Coupon Securities											

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CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Treasury Coupon Securities											
91282CKK6	85963	100	U.S. Treasury		50,000,000.00	100.9531250	50,476,562.50	4.875	04/30/2026		
				Subtotal	**50,000,000.00**		**50,476,562.50**				
Supra-National											
45818WDA1	84016	100	Inter-American Dev Bank		25,000,000.00	99.7130000	24,928,250.00	0.800	03/04/2026		
4581X0CU0	84135	100	Inter-American Dev Bank		25,000,000.00	105.3590000	26,339,750.00	2.000	06/02/2026		
45818WDJ2	84240	100	Inter-American Dev Bank		10,000,000.00	99.7294000	9,972,940.00	0.800	08/19/2026		
4581X0EB0	84421	100	Inter-American Dev Bank		25,000,000.00	99.7940000	24,948,500.00	1.500	01/13/2027		
4581X0EB0	84446	100	Inter-American Dev Bank		25,000,000.00	98.4179000	24,604,475.00	1.500	01/13/2027		
45818WDL7	84497	100	Inter-American Dev Bank		25,000,000.00	99.3978000	24,849,450.00	1.780	03/12/2027		
45818WDM5	84575	100	Inter-American Dev Bank		20,000,000.00	99.4736000	19,894,720.00	2.750	04/12/2027		
45818WDR4	84583	100	Inter-American Dev Bank		30,000,000.00	100.0000000	30,000,000.00	2.980	06/09/2027		
4581X0CY2	84613	100	Inter-American Dev Bank		25,000,000.00	96.6270000	24,156,750.00	2.375	07/07/2027		
45818WEE2	84691	100	Inter-American Dev Bank		25,000,000.00	99.1780000	24,794,500.00	3.420	09/07/2027		
45818WEF9	84773	100	Inter-American Dev Bank		30,000,000.00	100.0000000	30,000,000.00	4.550	11/10/2027		
4581X0EH1	84874	100	Inter-American Dev Bank		30,000,000.00	99.7533000	29,925,990.00	4.000	01/12/2028		
4581X0EH7	84909	100	Inter-American Dev Bank		30,000,000.00	100.2995000	30,089,850.00	4.000	01/12/2028		
45818WEM4	84937	100	Inter-American Dev Bank		30,000,000.00	99.0520000	29,715,600.00	4.250	03/03/2028		
45818WEQ5	85099	100	Inter-American Dev Bank		30,000,000.00	98.9767000	29,693,010.00	3.800	06/09/2028		
4581X0DX3	85193	100	Inter-American Dev Bank		30,000,000.00	85.3950000	25,618,500.00	1.125	07/20/2028		
4581X0EN4	85532	100	Inter-American Dev Bank		40,000,000.00	99.4220000	39,768,800.00	4.125	02/15/2029		
45818WFA9	85589	100	Inter-American Dev Bank		40,000,000.00	99.6420000	39,856,800.00	4.170	03/19/2029		
45818WFR2	85741	100	Inter-American Dev Bank		25,000,000.00	100.3396000	25,084,900.00	4.600	06/07/2029		
4581X0DG0	85747	100	Inter-American Dev Bank		15,000,000.00	89.9580000	13,493,700.00	2.250	06/18/2029		
45818WF35	85837	100	Inter-American Dev Bank		40,000,000.00	100.0000000	40,000,000.00	3.900	08/15/2029		
459058JL8	84059	100	Int Bk Recon & Develop		50,000,000.00	98.6180000	49,309,000.00	0.500	10/28/2025		
459058JX2	84163	100	Int Bk Recon & Develop		25,000,000.00	100.1548000	25,038,700.00	0.875	07/15/2026		
459058JX2	84201	100	Int Bk Recon & Develop		25,000,000.00	100.1535000	25,038,375.00	0.875	07/15/2026		
459058JL8	84259	100	Int Bk Recon & Develop		50,000,000.00	99.1160000	49,558,000.00	0.500	10/28/2025		
459058KT9	85138	100	Int Bk Recon & Develop		30,000,000.00	95.5108000	28,653,240.00	3.500	07/12/2028		
459058KW2	85824	100	Int Bk Recon & Develop		50,000,000.00	102.6570000	51,328,500.00	4.625	08/01/2028		
459058JW4	85839	100	Int Bk Recon & Develop		30,000,000.00	91.3684830	27,410,544.90	1.375	04/20/2028		
459058JW4	85840	100	Int Bk Recon & Develop		40,000,000.00	91.3600000	36,544,000.00	1.375	04/20/2028		
459058KL6	85922	100	Int Bk Recon & Develop		40,000,000.00	99.9520000	39,980,800.00	3.625	09/21/2029		

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CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Supra-National											
459058KQ5	86124	100	Int Bk Recon & Develop		40,000,000.00	97.4514000	38,980,560.00	3.876	02/14/2030		
459058LR2	86171	100	Int Bk Recon & Develop		40,000,000.00	99.5650000	39,826,000.00	4.125	03/20/2030		
45950VPV2	84057	100	Intl Finance Corp		25,000,000.00	100.1462000	25,036,550.00	0.970	04/14/2026		
45950VPX8	84101	100	Intl Finance Corp		25,000,000.00	99.7026000	24,925,650.00	0.860	05/14/2026		
45950VQF6	84250	100	Intl Finance Corp		15,000,000.00	99.9218000	14,988,270.00	0.820	09/15/2026		
45950KCX6	84280	100	Intl Finance Corp		25,000,000.00	98.5890000	24,647,250.00	0.750	10/08/2026		
45950KCX6	84325	100	Intl Finance Corp		25,000,000.00	97.6689000	24,417,225.00	0.750	10/08/2026		
45950VRN8	84838	100	Intl Finance Corp		30,000,000.00	99.7045000	29,911,350.00	3.800	12/09/2027		
45950VSJ6	85302	100	Intl Finance Corp		30,000,000.00	98.5359000	29,560,770.00	4.500	09/13/2028		
45950VSS6	85479	100	Intl Finance Corp		40,000,000.00	100.0000000	40,000,000.00	4.050	01/10/2029		
45950VSZ0	85612	100	Intl Finance Corp		40,000,000.00	99.6169850	39,846,794.00	4.375	03/27/2029		
45950KDH0	85771	100	Intl Finance Corp		40,000,000.00	98.9630000	39,585,200.00	4.250	07/02/2029		
45950VTQ9	85904	100	Intl Finance Corp		65,000,000.00	100.0000000	65,000,000.00	3.550	09/20/2027		
45950VTS5	85906	100	Intl Finance Corp		50,000,000.00	100.0000000	50,000,000.00	3.580	03/24/2027		
45950VTX4	85907	100	Intl Finance Corp		40,000,000.00	99.9727000	39,989,080.00	3.550	09/25/2029		
45950VTY2	85918	100	Intl Finance Corp		50,000,000.00	99.9870000	49,993,500.00	3.560	01/29/2027		
45950VUA2	85990	100	Intl Finance Corp		40,000,000.00	100.0000000	40,000,000.00	4.333	11/14/2029		
45950VUD6	86081	100	Intl Finance Corp		40,000,000.00	100.0000000	40,000,000.00	4.540	01/15/2030		
				Subtotal	**1,575,000,000.00**		**1,557,305,843.90**				
Variable Rate Muni											
VRSAC2021	83953	100	Sacramento County		1,128,487.81	100.0000000	1,128,487.81	4.302	08/01/2025		
VRSAC2122	84345	100	Sacramento County		2,039,822.32	100.0000000	2,039,822.32	4.302	08/03/2026		
VRSAC2223	84850	100	Sacramento County		4,642,128.41	100.0000000	4,642,128.41	4.302	08/02/2027		
VARSAC2324	85449	100	Sacramento County		10,227,699.77	100.0000000	10,227,699.77	4.302	08/01/2028		
VRSAC2425	86051	100	Sacramento County		20,018,711.24	100.0000000	20,018,711.24	4.302	08/01/2029		
				Subtotal	**38,056,849.55**		**38,056,849.55**				
Bank Money Market											
BNKOFWEST	84271	100	Bank of the West		100,344,041.57	100.0000000	100,344,041.57	4.050			
				Subtotal	**100,344,041.57**		**100,344,041.57**				
				Total	**7,295,289,383.38**		**7,210,533,875.07**				