The Capital Appreciation Bonds are not subject to redemption prior to their stated maturity dates.

Optional Redemption of Series 2010D-1 Bonds. The Series 2010D-1 Bonds maturing on or before August 1, ____ are not subject to redemption prior to their fixed maturity date. The Series 2010D-1 Bonds maturing on or after August 1, ____ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 20__ or on any date thereafter, as a whole or in part, at a redemption price equal to the principal amount of Series 2010D-1 Bonds so redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

Extraordinary Optional Redemption of Series 2010D-1 Bonds. The Series 2010D-1 Bonds are subject to extraordinary redemption prior to their respective maturities on any date on or before August 1, 2020, at the option of the District, upon the occurrence of an "Extraordinary Event" from any source of available funds, in whole or in part, by lot, at the "Extraordinary Optional Make-Whole Redemption Price." The "Extraordinary Optional Make-Whole Redemption Price" means the amount equal to the greater of the following:

(i) the issue price of the Series 2010D-1 Bonds set forth in the bond purchase agreement relating to the Series 2010D-1 Bonds (but not less than 100%) of the principal amount of the Series 2010D-1 Bonds to be redeemed; or

(ii) the sum of the present value of the remaining scheduled payments of the principal of and interest with respect to the Series 2010D-1 Bonds to be redeemed to the maturity date of such Series 2010D-1 Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010D-1 Bonds are to be redeemed, discounted to the date on which the Series 2010D-1 Bonds are to be redeemed on a semi-annual basis assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus ___ basis points; plus, in each case, accrued interest on the Series 2010D-1 Bonds to be redeemed to the rate of redemption.

Definitions Applicable to Make-Whole Prepayment Prices. For the purpose of determining the Extraordinary Make-Whole Redemption Price, the following definitions apply:

"Treasury Rate" means, with respect to any redemption date for a particular Build America Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2010D-1 Bonds to be redeemed; provided, however that if the period from the redemption date to the maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Extraordinary Event" means an event causing the Treasury Credit expected to be received with respect to the Series 2010D-1 Bonds to be eliminated or reduced, as reasonably determined by the District, which determination shall be conclusive, as a result of:

(i) a material adverse change to Section 54AA or 6431 of the Code,

(ii) guidance published by the Internal Revenue Service or the United States Treasury with respect to such Sections, or

(iii) a determination by the Internal Revenue Service or the United States Treasury, which determination is not the result of a failure of the Authority or the District to satisfy the requirements of Section 7.06 hereof.

Mandatory Sinking Fund Redemption of Series 2010D-1 Bonds. The Series 2010D-1 Bonds maturing on August 1, ____, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Series 2010D-1 Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Series 2010D-1 Bonds Maturing August 1, 20__

Redemption Date (August 1)	Principal Amount
Total	

(1) Final Maturity

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. Notice of any redemption of Bonds will be mailed, postage-prepaid, not less than thirty nor more than forty-five days prior to the redemption date (i) to the respective Registered Owners thereof at the addresses appearing on the bond registration books of the Bond Registrar, (ii) to the Securities Depositories described below, and (iii) to one or more of the Information Services described below. Notice of redemption to the Securities Depositories and the Information Services may be given by facsimile transmission or overnight delivery service in lieu of by mail. Each notice of redemption will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Moody's Municipal and Government, 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; and Standard and Poor's J.J. Kenny Information Services' "Called Bond Record," 55 Water Street, 45th Floor, New York, New York 10041. "Securities Depositories" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

The actual receipt by an Owner or by any Information Service or Securities Depository of notice of such redemption shall not be a condition precedent to redemption, and neither failure to receive such notice nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest thereon on the date fixed for redemption.

The notice or notices required for redemption will be given by the Paying Agent or its designee. A certificate by the Paying Agent that notice of call and redemption has been given to owners of Bonds and to the appropriate Securities Depositories and Information Services shall be conclusive as against all parties, and no

Owner whose Bond is called for redemption may object thereto or object to the cessation of interest on the fixed redemption date by any claim or showing that said Bondowner failed to actually receive such notice of call and redemption.

Payment of Redeemed Bonds When notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is set aside for that purpose in the Debt Service Fund, as described below, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption with the form of assignment endorsed thereon executed in blank, said Bonds will be redeemed and paid at the redemption price thereof out of the Debt Service Fund. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Red emption. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof will have been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest with respect thereto to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

Transfer and Exchange

Any Bonds may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the 15th day of the month preceding each Interest Payment Date to such Interest Payment Date or from the sixteenth day next preceding a date for which such Bond has been selected for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the Paying Agent or with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal, Maturity Value and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with the Paying Agent or with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, satisfactory to the County, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal, Maturity Value and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any Bonds shall not have been surrendered for payment, all obligations of the District and the Paying Agent with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the owners of the Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Ratings or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Ratings.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows: Sources of Funds

Sources of Funds

Principal Amount of Bonds
Original Issue Premium
Total Sources

Uses of Funds

Building Fund
Debt Service Fund
Costs of Issuance [(1)]
Total Uses

(1) Costs of issuance includes Underwriter's discount, legal fees, printing and expenses, demographics and filing fees.

RIVERSIDE COUNTY POOLED INVESTMENT FUND

The following information concerning Riverside County Pooled Investment Fund has been provided by Riverside County Treasurer-Tax Collector (the "County Treasurer") and has not been confirmed or verified by the District or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Further information may be obtained from the County Treasurer.

The County Treasurer maintains one Pooled Investment Fund (the "PIF") for all local jurisdictions having funds on deposit in the County Treasury. As of August 30, 2010, the portfolio assets comprising the PIF had a market value of $5,166,434,405.70.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2002, the Auditor-Controller performed an analysis on the County Treasury which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. Collectively, these mandatory deposits constituted approximately 86% of the funds on deposit in the County Treasury, while approximately 14% of the total funds on deposit in the County Treasury represented discretionary deposits.

While State law permits other governmental jurisdictions, with the prior consent of the Board and the County Treasurer, to participate in the County's PIF, none have been authorized entry, nor are any pending consideration. The desire of the County is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2007 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the Pooled Investment Fund as of August 31, 2010 were as follows:

	Market Value
Federal Agency	$4,051,249,162
MMF	499,162,162
Commercial Paper	149,853,472
Negotiable CDs	---
Medium Term Notes	---
Municipal Bonds	25,111,651
Certificate of Deposit	---
Bond – U.S. Treasury	440,422,959
Local Agency Obligation	635,000
TOTAL	$5,166,434,406
Book Yield:	0.84%
Weighted Average Maturity:	1.09 years

(1) Not rated; all other investments are government securities or rated investments.

(2) Represents Local Agency Obligations issued by the Riverside District Court Financing Corporation and March Joint Powers Redevelopment Agency.

As of August 31, 2010, the market value of the PIF was ______% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

In keeping with Sections 53684 and 53844 of the California Government Code, all interest, income, gains and losses on the portfolio are distributed quarterly to participants based upon their average daily balance except for specific investments made on behalf of a particular fund. In these instances, Sections 53844 requires that the investment income be credited to the specific fund in which the investment was made.

The Board has established an "Investment Oversight Committee" in compliance with California Government Code Section 27131. Currently, the Committee is composed of the County Finance Director, the County Treasurer-Tax Collector, the County Superintendent of Schools, a school district representative and a public member at large. The purpose of the committee is to review the prudence of the County's investment policy, portfolio holdings and investment procedures, and to make any findings and recommendations known to the Board. This committee was reorganized to conform to new State requirements requiring the County to have a local oversight committee. The committee is utilized by the County to manage, audit, and safeguard public funds and to perform other internal control measures.

The County has obtained a rating on the PIF of "AAA/MR1" from Moody's Investors Service and "AAA/V1+" rating from Fitch Ratings. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning the funding of community college districts in the State of California 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 is payable from the General Fund of the District. The Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment."

Major Revenues

California community college districts (other than Basic Aid Districts, as described below) receive, on average, approximately 52 percent of their funds from the State, 44 percent from local sources, and 4 percent from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery (which is less than 3 percent), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

Historically a community college district determined its revenue allocation using a program- based model. The model used different factors to establish support levels for five different categories at the community college district: (1) Instruction and Instructional Administration: (2) Instructional Services, (3) Student Services; (4) Operation and Maintenance of Plants, and (5) Institutional Support. Different standards were used in each category to determine funding requirements. The target allocation was obtained by calculating the exact cost of funding the specific standards in each category, on a district by district basis. The aggregate total of the financial needs of the five categories established the amount of funding a district received. State general fund moneys, local property taxes, and certain other local revenues were allocated to the community college districts based on annual State apportionments of basic and equalization aid to community college districts for general purposes computed up to a base revenue per unit of full time equivalent students ("FTES"). Such apportionments, generally speaking, amounted to the difference between a district's base revenue and its local property tax allocation and student enrollment fees. Base revenue calculations were adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among all community college districts in the State.

A bill recently passed the State's legislature ("SB 361"), and signed by the Governor on September 29, 2006, establishes a new community college funding system with immediate effect. The new system includes allocation of state general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the "Board of Governors") in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors will be required to acknowledge community college districts' need to receive an annual allocation based on the number of colleges and comprehensive centers in each respective district, plus funding received based on the number of credit and noncredit FTES in each district.

SB 361 also specifies that, commencing with the 2010-11 fiscal year the minimum funding per FTES will be: (a) not less than $_____ per credit FTES (subject to cost of living adjustments funded through the budget act in subsequent fiscal years); (b) at a uniform rate of $______ per noncredit FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years); and (c) set at $_____ per FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years) for a new instructional category of "career development and college preparation." Pursuant to SB 361, the Chancellor of the California Community Colleges (the "Chancellor") will develop criteria for one-time grants for districts that would have received more funding under the prior system or a proposed rural college access grant, than under the new system and the Budget Act of 2006.

The District's base revenue per credit unit of FTES for 2007-08, 2008-09 and 2009-10 were approximately $_____, $_____ and $_____, respectively, and per non-credit unit of FTES for the same years were, excluding maintenance and operations appropriations, on average, approximately $_____, $_____ and $_____. The District expects that its base revenue per unit of FTES for 2010-11 will be approximately $____, and that its base revenue per non-credit unit of FTES will be approximately $____ before COLA is applied to the base and before enhanced non-credit funding is applied.

Local revenues are first used to satisfy District expenditures. The major local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues for the District. Property taxes and student enrollment fees are applied towards fulfilling the District's financial need. 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.

"Basic Aid" 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. Basic Aid districts do not receive any funds from the State. The current law in California allows these districts to keep the excess funds without penalty. The implication for Basic Aid Districts 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. The District is not a Basic Aid 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.

Tax Shifts and Triple Flip

Assembly Bill No. 1755 ("AB 1755"), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools, including community college districts. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund ("ERAF") shift to $135 million. Legislation commonly referred to as the "Triple Flip" was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip," one- quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds are repaid, which is currently expected to occur in approximately 6 to 10 years.

Budget Procedures

On or before September 15, the Board of Trustees of the District is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by June 10 a proposed State budget is presented by the governor to the legislature. The Governor's Budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the statewide governing board of the California community colleges (the "Board of Governors") and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. The Governmental Accounting Standards Board ("GASB") has released Statement No. 35, which makes changes in the annual financial statements for, among other entities, school districts and community college districts, all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective on June 15, 2002 for the District, as well as for any other community college district with annual revenues of between $10 million and $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The following table shows the District's general fund budgets for fiscal years 2006-07 through 2009-10, the District's audited actuals for fiscal years 2006-07 and 2008-09 and projected totals for fiscal year 2009-10. For further information, see also "APPENDIX B – EXCERPTS FROM THE DISTRICT'S 2008- 09 AUDITED FINANCIAL STATEMENTS."

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Comparison of Adopted General Fund Budgets and Actual Results
for Fiscal Years 2006-07, 2007-08 and 2009-10

:	Adopted Budget 2006-07	Audited 2006-07	Adopted Budget 2007-08	Audited 2007-08	Adopted Budget 2008-09	Audited 2008-09	Adopted Budget 2009-10	Unaudited Totals 2009-10
REVENUES:								
Revenue limit sources	$ 80,673,790	$ 88,570,788	$ 86,992,915	$ 89,708,647	$ 96,236,269	$ 92,202,709	$ 89,974,154	$ 93,586,200
Federal revenues	9,938,459	7,689,575	10,574,534	8,185,548	11,067,128	9,463,459	17,519,186	13,180,491
Other state revenues	18,626,105	14,517,905	17,648,542	14,129,194	25,117,849	21,362,113	15,772,343	12,366,273
Other local revenues	51,821,441	48,765,352	51,476,331	52,047,914	52,275,055	52,962,748	50,729,691	48,989,724
TOTAL REVENUES	**$161,059,795**	**$159,543,620**	**$166,692,322**	**$164,071,303**	**$184,696,301**	**$175,991,029**	**$173,995,374**	**$168,122,688**
EXPENDITURES:								
Academic salaries	$ 66,366,869	$ 66,040,348	$ 72,366,452	$ 69,449,942	$ 75,012,515	$ 73,669,433	$ 70,792,226	$ 70,050,847
Classified salaries	37,558,038	34,076,663	39,881,802	37,580,340	41,737,170	40,218,258	43,843,825	41,705,917
Employee benefits	26,253,655	25,264,647	28,760,108	27,232,022	31,589,861	29,843,925	31,833,319	30,747,552
Books and supplies	5,175,362	3,909,654	4,814,932	3,977,553	4,968,061	4,375,418	4,495,782	3,667,176
Services and operating expenditures	19,748,866	17,242,049	22,969,103	17,542,802	30,190,075	24,947,101	22,680,499	17,753,535
Capital Outlay	5,320,448	5,370,011	4,394,722	4,236,134	4,520,734	4,285,417	4,211,816	3,268,276
TOTAL EXPENDITURES	**$160,423,238**	**$151,903,372**	**$173,187,119**	**$160,018,793**	**$188,018,416**	**$177,339,552**	**$177,857,467**	**$167,193,303**
Excess (Deficiency) of revenues over (under) Expenditures	**$636,557**	**$7,640,248**	**($6,494,797)**	**$4,052,510**	**($3,322,115)**	**($1,348,523)**	**($3,862,093)**	**$929,385**
OTHER FINANCING SOURCES (USES)								
Operating transfers in	$ 1,423,325	$ 1,380,996	$ 1,295,010	$ 1,133,065	$ 1,340,636	$ 1,210,241	$ 3,204,056	$ 2,916,110
Operating transfers out	(2,384,270)	(2,531,251)	(2,700,940)	(2,562,173)	(3,321,599)	(3,021,556)	(4,863,293)	(4,545,614)
Other sources	269,479	192,831	245,600	271,925	695,633	525,605	512,667	479,453
Other uses	(448,252)	(344,159)	(215,837)	(350,790)	(452,016)	(364,986)	(469,772)	(334,995)
TOTAL OTHER FINANCING SOURCES (USES)	**($1,139,718)**	**($1,301,583)**	**($1,376,167)**	**($1,507,973)**	**($1,737,346)**	**($1,650,696)**	**($1,616,342)**	**($1,485,046)**
Excess of revenues and other financing sources over (under) expenditures and other uses	($503,161)	$6,338,665	($7,870,964)	$2,544,537	($5,059,461)	($2,999,219)	($5,478,435)	($555,661)
Beginning Fund balance, July 1	16,913,697	16,913,697	23,252,362	23,252,362	25,796,899	25,796,899	22,797,680	22,797,680
Ending Fund Balance, June 30	**$16,410,536**	**$23,252,362**	**$15,381,398**	**$25,796,899**	**$20,737,438**	**$22,797,680**	**$17,319,245**	**$22,242,019**

Source: The District.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111.

General In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding "test" to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual cost of living adjustment (COLA) for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K- 12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is 1989-90. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to community colleges and K- 12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth (ADA) and per-capita personal income COLA.

A third formula, established pursuant to Proposition 111 as "Test 3," provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one- half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per- pupil total spending.

State Assistance

California community college districts' principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, either the District nor the Underwriter takes any responsibility as to the accuracy or completeness thereof and has not independently verified such information.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information," posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

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

- The State Legislative Analyst's Office (the "LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)."

2009-10 Adopted State Budget. On January 9, 2009, the Governor submitted his proposed 2009-10 Budget (the "2009-10 Proposed Budget") to the State Legislature. The 2009-10 Proposed Budget proposed $41.7 billion in budgetary solutions to close a $39.6 billion gap and establish a $2.2 billion reserve. Subsequently, on February 19, 2009, the California Legislature approved a budget package (the "Budget Package"), which included revisions to the then -current 2008-09 Budget and adoption of the 2009-10 Budget, thus covering a 17-month period ending July 1, 2010. The Governor signed the Budget Package, using his veto power to achieve additional savings, including replacing general fund appropriations for higher education with federal funds. On February 13, 2009, the U.S. Congress had approved the American Recovery and Reinvestment Act, committing a total of $787 billion nationwide, including an estimated $31 billion in aid to the State and billions more nationwide in competitive grants, about $8 billion of which would be available in 2008-09 and 2009-10.

On July 1, 2009, the Governor declared a fiscal emergency and ordered a special session of the Legislature to solve the State's deficit, ordered State employees. implemented State furlough days and proposed further cuts school spending. On July 2, 2009, the State began issuing registered warrants, or IOU's, to several classes of creditors, including certain local governments.

On July 24, 2009, the California Legislature approved amendments to the 2009-10 Budget and the Governor signed the 2009-10 Budget on July 28, 2009, which included reductions in spending ($84 billion, down from nearly $91.7 billion in 2008-09 and nearly $103 billion in 2007-08) through reductions in K-14 education and Cal State University and UC systems spending, implementation of State furlough days, and cuts in health and human services, including Medicaid. The approved amendments included borrowing from local governments (to be repaid with interest under Proposition 1A) and various accounting shifts to generate additional revenues in the 2009-10. The Governor made nearly $500 million in additional cuts to social services, state prisons and higher education, and providing for a general fund reserve of $500 million.

Under the amended 2009-10 Budget, total Proposition 98 funding was reduced by $2.1 billion in 2008-09 and $4.5 billion in 2009-10. However, Proposition 98 general fund savings were $5.3 billion in 2009-10 because of a property tax shift of $850 million from redevelopment agencies to schools.

With respect to K-1 4 education, prior categorical cuts would be restored in 2009-1 0 but an equal amount of approximately $250 per ADA would be reduced from revenue limits statewide. In addition, general purpose spending for local educational agencies would be cut, resulting in cuts of approximately $390 per ADA for K-14 Districts. In addition, $1.7 billion in 2009-10 payments would be deferred from April and May into August of fiscal year 2010-11. Additional changes include provisions to permit school districts to reduce the number of school days by five days to 175 days through 2012-13 and lowering the reserve requirement for economic uncertainty to one-third of the usual requirement.

With respect to redevelopment agencies, the 2009-10 Budget included taking $2.05 billion in redevelopment funds ($1.7 billion in 2009-10 and $350 million in 2010 -11), to be deposited in county "Supplemental" Educational Revenue Augmentation Funds ("SERAF") in order to meet the State's Proposition 98 obligations to schools. The structure for taking redevelopment revenue is similar to the 2008 -09 trailer bill, AB 1389, which attempted to take $350 million. The Department of Finance will determine each agency's SERAF payment by November 15 of each year, calculated based on half of each agency's net tax increment (net of pass-throughs) and half on gross tax income. Payments are due by May 10 of the applicable year and agencies that do not make their payment by this date must increase their housing set aside to 25% for the remainder of the redevelopment project area's life. The increased housing set-aside lasts until the required payments have been made and means that an agency could not adopt a new redevelopment plan, amend an existing plan to add territory, issue bonds, further encumber funds or expend any moneys derived from any source except to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on agency administration for the preceding fiscal year.

The California Redevelopment Association ("CRA") filed a lawsuit to challenge the State's taking redevelopment funds approved in the budget amendments. The CRA was successful in overturning the ERAF shift authorized by AB 1389 in 2008-09. On May 4, 2010, the Superior Court ruled that the 2009 SERAF Legislation is constitutional. However, the CRA has announced that it will appeal the judgment of the Superior Court and that it will seek a temporary stay of the judgment from the California Court of Appeal pending the appeal.

2010-11 Proposed State Budget. Set forth below is a summary of information available with respect to the 2010-11 State Budget.

<u>January 8, 2010 – 2010-11 Proposed Budget Submitted by Governor to Legislature</u>. The Governor submitted his 2010-11 Budget (the "2010-11 Proposed Budget") to the State Legislature. The 2010-11 Proposed Budget assumed that, without corrective action, the State would face a deficit of $19.9 billion at the end of 2010-11. The 2010-11 Proposed Budget cuts health programs ($2.9 billion); includes extensive cuts to welfare programs; corrections cuts of ($1.2 billion); assumes $6.9 billion increase in federal aid; extends temporary tax increases adopted as part of 2009 -10 State Budget; and delays implementation of tax breaks adopted as part of 2009-10 State Budget.

<u>January 12, 2010 – LAO Report: Overview of the Governor's Budget</u>. On January 12, 2010, the LAO commented on the 2010 -11 Proposed Budget, stating that the Governor's estimate of a $18.9 billion budget problem is reasonable but is $3.1 billion smaller shortfall than the LAO estimates and may be exacerbated by various lawsuits. The LAO also noted that the Governor's plan relies heavily on federal relief, which the state is unlikely to receive in the amounts requested. The Legislature needs to assume that the federal relief will total billions less than the Governor budgets for and will need to make difficult decisions regarding both revenues

and spending and needs to make many key decisions by the end of March in order to implement them for the next fiscal year.

February 25, 2010 – LAO Report. The LAO released a report commenting on the 2010- 11 Proposed Budget's Proposition 98 and K-1 2 Education proposals. The LAO report states that the Governor's Proposed Budget would result in reductions in Proposition 98 funding levels from what is currently required by approximately $2.2 billion in 2009-10 and approximately $3.2 billion in 2010-11. K-12 revenue limit funding would be cut by $1.5 billion and virtually all education mandates would be suspended in 2010-11. These reductions are based in part on his interpretation of "minimum guarantee" as described under "Proposition 98 Funding" above. According to the LAO report, the 2010-11 Proposed Budget takes steps in the right direction by reducing costs, providing flexibility and seeking federal funding, but it also misses opportunities for meaningful reform and is based on several assumptions that, if they do not come to pass, would render the plan unworkable.

March 1, 2010. The Governor signed AB X85 which implemented funding deferrals for numerous state and local agencies, including the community colleges. For the community colleges, the bill requires that $131 million of the scheduled March 2010 payment (including both general apportionments and categorical funds) be deferred until as late as May 1, 2010. However, better than projected cash receipts resulted in this deferral not being implemented for the community colleges.

May 12, 2010 – Governor Submits May Revise to 2010-11 Budget. The Governor submitted a revised 2010-11 Budget which calls for $12.4 billion in spending cuts to help bridge a $20 billion deficit over the next fiscal year. The Governor's May 2010 Budget Revision estimates a general fund budget gap of $19.1 billion, $7.7 billion for the 2009-10 fiscal year, $10.2 billion for the 2010-11 fiscal year, and a modest reserve of $1.2 billion. The May Revision proposes $12.4 billion in spending reductions and alternative funding solutions, representing two-thirds of the solutions, borrowing and fund shifts totaling approximately 10% of the solutions and approximately 5% of the package relies on new revenues. Major spending reduction proposals include reductions of $4.3 billion of Proposition 98 spending, including the elimination of need-based, subsidized childcare, reductions of $2.1 billion by reducing state employees pay and staffing and shifting pension costs to employees, and the elimination of the CalWORKs program, which provides cash grants and welfare -to-work services, representing $1.2 billion in savings.

For the California Community Colleges, the May Revision remained virtually unchanged from the Governor's Budget released in January with 2.2 percent enrollment growth ($126 million) and - 0.38% COLA (-$22.9 million). While the economic factors used to calculate the COLA have changes slightly since January, the Administration chose not to update this figure. The revision also included a downward revision of $6 million in 2010 -11 local property tax revenues. The Governor proposes an augmentation of $6 million in state funding to offset this reduction and a reduction of approximately $6 million in federal TANF funds as a result of his proposed elimination of the CalWORKs program. In addition, the Governor proposed that the $26.7 million in state funding previously provided for CCC Cal WORKs be redirected to support any categorical expenditure through the Categorical Flexibility provision.

The May Revision noted that the state continues to face an extremely tight cash position. While no new proposals are made to address these challenges, the Governor does indicate that the Department of Finance, State Controller, and State Treasurer will continue to monitor the situation and present additional solutions as needed. This indicates a risk of additional funding deferrals being enacted.

May 18, 2010 - LAO Report. On May 18, 2010, the LAO published its comments on the May Revision stating that the Governor's estimate of the budget shortfall is reasonable. However, the LAO Report advises the Legislature to reject the Governor's most drastic spending cuts, particularly the elimination of CalWORKs and child care funding, instituting instead the LAO's alternative spending reduction proposals, and adopting selective revenue increases from fee increases and other non-tax revenues and targeted tax increases. Additionally, the LAO Report urges the Legislature to suspend Proposition 98 if the minimum guarantee is above the level that the state can afford. The LAO predicts that even if the Legislature approves all of the painful cuts and realizes the savings assumed by the Governor's May Revision, a multibillion-dollar operating deficit between $4 billion and $7 billion is likely to persist in future years.

July 1, 2010: 2010-11 Fiscal Year Begins. The June 15, 2010 deadline for the State legislature to pass the State Budget bill has passed and the 2010-11 Budget Act, which must be approved by a two-thirds majority vote of each House of the Legislature, has not yet been approved. The District cannot predict when the 2010 -11 State Budget will be approved or what impact it might have on the District's finances.

August 4, 2010: The Conference Committee adopted the 2010-11 Education Budget. Following the issuance of the May Revision, each house of the California legislature reviews the Governor's proposal and issues their own budget proposals. Those two proposals are then sent to a conference committee consisting of representatives from the Assembly and the Senate, with the resulting proposal being named the Conference Committee Proposal.

The Conference Committee proposal for Community Colleges includes the Governor's proposed $126 million for enrollment growth funding (2.21 percent) but rejects negative COLA ($23 million). In addition, the proposal has funding of $35 million to backfill the 2009-10 one - time federal ARRA funding directed to categorical programs and a $25 million augmentation for the Economic and Workforce Development program to support workforce training enrollments.

Information about State budgets is regularly available at various State-maintained websites. See: www.dof.ca.gov, under the heading "California Budget". Additionally, an impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.

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

The State has not entered into any contractual commitment with the District, the County, or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, the District does not assume any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein.

2010 Legal Challenge to State Funding of Education

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL INFORMATION - State Funding of Education and Recent State Budgets."

On May 20, 2010, a plaintiff class of numerous current California public school students and the Alameda Unified, Alpine Union, Del Norte County Unified, Folsom Cordova Unified, Hemet Unified, Porterville Unified, Riverside Unified, San Francisco Unified, and Santa Ana Unified School Districts, together with the California Congress of Parents, Teachers & Students, the Association of California School Administrators and the California School Boards Association filed suit in Alameda County Superior Court challenging the system of financing for public schools in California as unconstitutional. In *Maya Robles -Wong, et al. v. State of California*, plaintiffs seek declaratory and injunctive relief, including a permanent injunction compelling the State to abandon the existing system of public school finance. The District cannot predict the outcome of the *Robles-Wong* litigation, however, if successful, the lawsuit could result in a change in how school finance is implemented in the State of California.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "THE BONDS – Security and Sources of Payment") Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, 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, Article XIIIC, and all applicable laws.

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA requires a vote of two-thirds of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (iii) 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% or more of the votes cast of the proposition, but only if certain accountability measurers are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds of all members of the state legislature to change any state taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

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

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to redevelopment agency, if any, claims on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

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.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

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

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 State Board of Equalization ("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 countywide 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.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), 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. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after December 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 pursuant to 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.

Article XIIIB also includes a requirement that fifty percent 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 pursuant to Section 8.5 of Article XVI of the State Constitution. See "Propositions 98 and 111" below.

Article XIIIC and Article XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as community college 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. 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.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. 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.

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, or (b) the amount actually appropriated to such districts from the State 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 current level of guaranteed funding pursuant to Proposition 98 is 34.55% of the State general fund.

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.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

Proposition 111

On June 5, 1990, the voters of California approved the "Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

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

a. <u>Annual Adjustments to Spending Limit.</u> 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.

b. <u>Treatment of Excess Tax Revenues.</u> "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 is 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.

c. <u>Exclusions from Spending Limit.</u> Two new exceptions have been added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, excluded are all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, excluded are any increases in gasoline taxes above the current nine cents per gallon level, 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.

d. 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.

e. 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) a certain percentage 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. 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 percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1 percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. 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 this proposition are K- 12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1 percent of the value of property. Property taxes may 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 buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55 percent vote requirement would apply 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 percent 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 a high school or elementary school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State can not (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-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State was allowed to shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions were 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 with in a county. Proposition 1A also amends 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.

A fiscal emergency was declared and the suspension of Proposition 1A was passed by the California Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State borrowed eight percent of the amount of property tax revenue apportioned to cities, counties and special districts. The state is required to repay those obligations plus interest by June 30, 2013. Also authorized under ABX4 14 and ABX4 15 was the Proposition 1A Securitization Program instituted by California Communities to enable local agencies to sell their respective Proposition 1A Receivables to California Communities. SB 67 clarified specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities was allowed to simultaneously purchase Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State would shift property taxes from local agencies). The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 39, 98 and 111 were each adopted as measures that qualified for the ballot pursuant to 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.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances are 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 is payable from the General Fund of the District. The Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment."

General

The Riverside Community College District, located in Riverside, California, serves western Riverside County which encompasses 440 square miles. It contains the Riverside Unified, Alvord Unified, Corona/Norco Unified, Jurupa Unified, Moreno Valley Unified and Val Verde School Districts. The District was founded in 1916.

The District provides educational services on three campuses, Riverside City, Moreno Valley and Norco. The campuses served approximately 31,566 full-time equivalent students in 2008-09, and approximately 31,696 full-time equivalent students in 2009-10. Estimated enrollment for 2010-11 is 28,5961 full-time equivalent students. There are approximately 2,472 persons employed by the District. The District offers a broad-based curriculum and basic transfer programs to four-year colleges and universities in California. While recognizing the importance of general education, the District also provides specialized programs leading directly to employment and to improving the skill and knowledge of those already employed in the work force. Such efforts include the District's highly successful nursing and automotive technology programs. In addition, the District provides a wide variety of educational and special interest non-credit courses through its Community Education program.

Administration

The District is governed by a five-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

Name	Office	Term Expires
Virginia Blumenthal	President	December 2010
Janet Green	Vice President	December 2010
Mark A. Takano	Secretary	December 2012
Jose Medina	Board Member	December 2010
Mary Figueroa	Board Member	December 2012

Dr. Gregory Gray, the Chancellor of the District, is responsible for administering the affairs of the District in accordance with the policies of the Board. Dr. James L. Buysse is the Vice Chancellor, Administration and Finance.

Enrollment

The following table shows the District's full-time equivalent students ("FTES") for fiscal years 2001-02 through 2009-10, and projected FTES for fiscal year 2010-11:

Year	FTES
2000-01	21,578
2001-02	23,677
2002-03	23,721
2003-04	23,423
2004-05	25,088
2005-06	26,789
2006-07	24,404
2007-08	27,529
2008-09	31,566
2009-10	31,696
2010-11(1)	28,596

(1) Projected
Source: The District.

Labor Relations

The District employs 414 full-time certified professionals and 617 full-time classified employees and managers. In addition, the District employs 1,441 part-time faculty and staff. These employees, except management, confidential and some part-time employees, are represented by two bargaining units as noted below:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Labor Relations Organizations

Labor Organization	Number of Full Time Employees In Organization	Contract Expiration Date
California School Employees Association	496	June 30, 2011
California Teachers Association	1,344	June 30, 2012

Source: The District

Retirement Programs

The District participates in the State of California Teachers Retirement System ("STRS"). This plan covers all full-time and most part-time certificated employees. The District's contribution to STRS was $5,560,377 in fiscal year 2008-09, $5,415,308 in fiscal year 2009-10, and is projected to be $5,506,936 in fiscal year 2010-11. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

The District also participates in the State of California Public Employees Retirement System ("PERS"). This plan covers all classified personnel who are employed more than four hours per day. The District's contribution to PERS was $3,263,162 in fiscal year 2008-09, $3,560,099 in fiscal year 2009-10, and is projected to be $4,130,196 in fiscal year 2010-11. In order to receive PERS benefits, an employee must be at least 50 years old and have provided five years of service to California public schools.

Contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as changes in benefits. The contribution rates are based on statewide rates set by the STRS and PERS retirement boards. STRS has substantial statewide unfunded liability. Since this liability has not been broken down by each school district, it is impossible to determine the District's share.

Other Postemployment Benefits

The District provides postemployment health care benefits for retired employees in accordance with approved Board policy. The Riverside Community College District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 65 retirees and beneficiaries currently receiving benefits and 802 active plan members.

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2008-2009, the District contributed $517,462 to the Plan, all of which was used for current premiums.

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the payments of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	$1,474,187
Annual OPEB cost (expense)	517,462
Increase in net OPEB obligation	956,725
Net OPEB obligation, July 1, 2008	---
Net OPEB obligation, June 30, 2009	$ 956,725

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 was as follows:

Annual Required Contribution	**Percentage Contributed**	**Net OPEB Obligation**
$1,474,187	35.1%	$956,725

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follows the notes to the financial statements and presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of implementation, only the current year information is presented.

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short- term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007, actuarial valuation, the unit credit cost method was used. The actuarial assumptions include healthcare cost trend rates ranged from an initial ten percent to an ultimate rate of five percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2007, was 30 years. The actuarial value of assets was not determined in this actuarial valuation. As of June 30, 2009, the District finances its OPEB contributions using a pay-as-you-go method. The District has not established a plan or equivalent arrangement that contains an irrevocable trust.

Joint Powers Authorities

The District participates in three powers agreements with the following entities (each a "JPA"): the school's Excess Liability Fund, the Riverside Community College - County Superintendent Self- Insurance Program for Employees, and the Riverside Employers/Employees Plan for property and liability, workers' compensation and dental insurance. The relationship between the Riverside Community College District and the JPAs are such that the JPAs are not component units of the Riverside Community College District for financial reporting purposes.

Based upon prior claims experiences, the District believes that it has adequate insurance coverage

DISTRICT FINANCIAL MATTERS

General

The economic position of the District is closely tied to the State of California as State apportionments, and property taxes represent approximately 87.11 percent of the total sources of revenue received within the unrestricted General Fund. The District increased reported FTES during fiscal year 2008-2009. Due to significant declines in apportionment funding from the State in fiscal years 2008-2009 and 2009-2010, the District plans to offer 1,000 fewer sections to reduce costs and the number of unfunded FTES. The District's fiscal year 2009-2010 adopted budget also contains other targeted expenditures reductions to be budgeted totaling approximately $9.0 million to align spending with available funds. The District continues to monitor enrollment and operating costs of the District to ensure ongoing financial stability and retain the reserve levels required by Board Policy and the State System's Office.

District Financial Statements

Excerpts from the audited financial statements of the District for Fiscal Year 2008-09 are attached hereto as APPENDIX B. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the District's financial statements.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. The Governmental Accounting Standards Board ("GASB") has released (i) Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted, and (ii) Statement No. 35, which makes changes in the required content and format of annual financial statements for public colleges and universities. These requirements became effective on June 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between $10 million and $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and fund balances for fiscal years 2005-06 through 2008-09 and unaudited final results for fiscal year 2009-10.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balances
for Fiscal Years 2005-06 through 2009-10

	Audited 2005-06	Audited 2006-07	Audited 2007-08	Audited 2008-09	Unaudited 2009-10
REVENUES:					
Revenue limit sources	$ 67,520,611	$ 88,570,788	$ 89,708,647	$ 92,202,709	$ 93,586,200
Federal revenues	7,830,737	7,689,575	8,185,548	9,463,459	13,180,491
Other state revenues	11,873,262	14,517,905	14,129,194	21,362,113	12,366,273
Other local revenues	51,461,823	48,765,352	52,047,914	52,962,748	48,989,724
TOTAL REVENUES	**$138,686,433**	**$159,543,620**	**$164,071,303**	**$175,991,029**	**$168,122,688**
EXPENDITURES:					
Academic salaries	$ 58,378,896	$ 66,040,348	$ 69,449,942	$ 73,669,433	$ 70,050,847
Classified salaries	29,167,763	34,076,663	37,580,340	40,218,258	41,705,917
Employee benefits	22,765,123	25,264,647	27,232,022	29,843,925	30,747,552
Books and supplies	3,390,317	3,909,654	3,977,553	4,375,418	3,667,176
Services and operating expenditures	15,487,990	17,242,049	17,542,802	24,947,101	17,753,535
Capital Outlay	8,774,817	5,370,011	4,236,134	4,285,417	3,268,276
TOTAL EXPENDITURES	**$137,964,906**	**$151,903,372**	**$160,018,793**	**$177,339,552**	**$167,193,303**
Excess (Deficiency) of revenues over (under) Expenditures	**$721,527**	**$7,640,248**	**$4,052,510**	**($1,348,523)**	**$929,385**
OTHER FINANCING SOURCES (USES)					
Operating transfers in	$ 2,683,431	$ 1,380,996	$ 1,133,065	$ 1,210,241	$ 2,916,110
Operating transfers out	(2,636,491)	(2,531,251)	(2,562,173)	(3,021,556)	(4,545,614)
Other sources	192,008	192,831	271,925	525,605	479,453
Other uses	(336,723)	(344,159)	(350,790)	(364,986)	(334,995)
TOTAL OTHER FINANCING SOURCES (USES)	**($97,775)**	**($1,301,583)**	**($1,507,973)**	**($1,650,696)**	**($1,485,046)**
Excess of revenues and other financing sources over (under) expenditures and other uses	$ 623,752	$ 6,338,665	$ 2,544,537	($ 2,999,219)	($ 555,661)
Beginning Fund balance, July 1	16,289,945	16,913,697	23,252,362	25,796,899	22,797,680
Ending Fund Balance, June 30	**$16,913,697**	**$23,252,362**	**$25,796,899**	**$22,797,680**	**$22,242,019**

Source: The District

For the fiscal years ended June 30, 2003 and later, the District has implemented Government Accounting Standard Board Statements Nos. 34 and 35. Among the changes implemented under these revised accounting rules is a change in the financial reporting format. The revised reporting format provides a comprehensive entity-wide perspective of the District's assets, liabilities, and cash flows and replaces the fund-group perspective previously required. The following table reflects the District's financial data for fiscal years 2006-07 through 2008-09 and unaudited final data for 2009-10 under the revised reporting format:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Statement of
Revenues, Expenditures and Changes in Net Assets
(Revised Reporting Format)

	Audited 2006-07	Audited 2007-08	Audited 2008-09	Unaudited 2009-10
OPERATING REVENUES				
Tuition and Fees	$18,278,142	$17,220,116	$20,344,186	
Less: Scholarship discounts and allowances	(5,354,970)	(4,726,243)	(6,568,018)	
Net tuition and fees	12,923,172	12,493,873	13,776,168	
Other Operating Revenue	1,631	98,054	21,531	
TOTAL OPERATING REVENUES	**$12,924,803**	**$12,591,927**	**$13,797,699**	
OPERATING EXPENSES				
Salaries	$101,977,931	$110,676,431	$115,416,313	
Employee benefits	22,889,973	24,535,244	28,685,083	
Supplies, materials and other operating expenses and services	29,779,736	29,979,694	39,047,761	
Student Financial Aid	13,680,879	18,458,245	24,837,204	
Equipment, maintenance, and repairs	4,239,456	5,252,176	4,721,534	
Depreciation	5,165,636	5,917,666	8,242,147	
TOTAL OPERATING EXPENSES	**$177,733,611**	**$194,819,456**	**$220,950,042**	
OPERATING LOSS	**($164,808,808)**	**($182,227,529)**	**($207,152,343)**	
NONOPERATING REVENUES (EXPENSES)				
State apportionments, non-capital	88,436,441	89,611,058	92,108,018	
Federal	19,939,276	25,132,430	32,754,061	
State	11,874,851	11,801,545	19,284,379	
Local property taxes levied for general purposes	29,604,089	32,330,029	31,955,768	
Local property taxes levied for capital debt	13,496,402	11,565,586	11,139,248	
State taxes and other revenues	4,529,367	4,287,522	4,072,155	
Investment income, net	4,170,219	7,445,762	3,529,205	
Interest expense on capital related debt	(3,928,624)	(7,839,793)	(7,499,410)	
Interest income on capital asset-related debt, net	412,550	679,403	369,969	
Other non-operating revenues	12,190,417	11,398,245	12,281,649	
TOTAL NONOPERATING REVENUES (EXPENSES)	**$180,724,988**	**$186,411,787**	**$199,995,042**	
GAIN (LOSS) BEFORE OTHER REVENUES	**15,916,180**	**4,184,258**	**(7,157,301)**	
OTHER REVENUES				
State revenues, capital	9,619,978	7,298,445	13,148,656	
Gain (Loss) on disposal of assets	---	(389,862)	---	
TOTAL OTHER REVENUES	**$9,619,978**	**$6,908,583**	**$13,148,656**	
NET INCREASE IN NET ASSETS	25,536,158	11,092,841	5,991,355	
NET ASSETS, BEGINNING OF YEAR	143,927,018	169,463,176	180,556,017	
NET ASSETS, END OF YEAR	**$169,463,176**	**$180,556,017**	**$186,547,372**	

Source: The District.

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. Assessed valuations are the same for both District and County taxing purposes.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes are payable in two installments due November 1 and February 1, respectively, and become delinquent on December 10 and April 10 for each respective installment. Taxes on unsecured property (personal property and leasehold) are due on August 31 of each year based on the preceding fiscal year's secured tax rate and become delinquent on October 31.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in tax bases to such entities may be affected by the establishment of redevelopment agencies which, under certain circumstances, may be entitled to revenues resulting from the increase in certain property values.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is the part of the assessment roll containing State-assessed property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property comprises all property not attached to land such as personal property or business property. Boats and airplanes are examples of unsecured property. Unsecured property is assessed on the "unsecured roll."

The following table represents the ten-year history of assessed valuations in the District:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Assessed Valuations
Fiscal Year 2000-01 through 2010-11

	Local Secured	Utility	Unsecured	Total
2000-01	$31,378,164,982	$52,368,568	$1,887,550,262	$33,318,083,812
2001-02	34,441,981,474	52,420,492	2,191,458,212	36,685,860,178
2002-03	37,741,392,325	50,079,728	2,512,284,792	40,303,756,845
2003-04	41,739,002,603	42,700,414	2,424,297,600	44,206,000,617
2004-05	47,923,316,465	50,568,694	2,533,766,343	50,507,651,502
2005-06	56,723,300,750	40,456,349	2,858,938,378	59,622,695,477
2006-07	69,414,949,841	41,598,811	3,080,320,192	72,536,868,844
2007-08	80,943,923,323	21,271,229	3,468,230,073	84,433,424,625
2008-09	81,907,350,376	20,803,791	3,832,576,268	85,760,730,435
2009-10	72,856,368,535	17,341,229	3,679,778,103	76,553,487,867
2010-11	70,884,555,342	17,070,552	3,510,312,658	74,411,938,552

Source: California Municipal Statistics, Inc.

The following is an analysis of the District's assessed valuation (excluding utility and unsecured property) by land use.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Assessed Valuation and Parcels by Land Use
2010-11

	2010-11 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 565,247,508	0.80%	1,114	0.42%
Commercial/Office	10,851,269,325	15.31	8,012	3.04
Vacant Commercial	1,577,237,236	2.23	4,518	1.72
Industrial	3,596,253,569	5.07	2,229	0.85
Vacant Industrial	542,152,153	0.76	789	0.30
Recreational	19,863,574	0.03	315	0.12
Government/Social/Institutional	754,936,256	1.07	422	0.16
Miscellaneous	15,893,256	0.02	369	0.14
Subtotal Non-Residential	$17,922,852,877	25.28%	17,768	6.75%
Residential:				
Single Family Residence	$43,437,976,818	61.28%	200,581	76.21%
Condominium/Townhouse	1,633,383,976	2.30	11,681	4.44
Mobile Home	263,596,419	0.37	4,396	1.67
Mobile Home Park	99,542,636	0.14	101	0.04
2+ Residential Units/Apartments	6,003,964,568	8.47	4,213	1.60
Vacant Residential	1,210,781,116	1.71	19,806	7.53
Subtotal Residential	$52,649,245,533	74.27%	240,778	91.48%
Other Vacant	$312,456,932	0.44%	4,645	1.76%
Total	$70,884,555,342	100.00%	263,191	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
JC:($200)
Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues with the District.

Appeals may be based on Proposition 8 of November 1978 ("Proposition 8"), 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 "LIMITATIONS ON TAX REVENUES" below.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate 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 a 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.

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

Principal Taxpayers

The following table lists the major taxpayers in the District in terms of their 2010-11 secured assessed valuations. The District provides educational services to and its boundaries include portions of the County.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Largest 2010-11 Local Secured Taxpayers

	Property Owner	Primary Land Use	2010-11 Assessed Valuation	% of Total [1]
1.	BRE Prop Inc.	Apartments	$ 201,425,450	0.28%
2.	Tyler Mall LP	Shopping Center	185,497,060	0.26
3.	Watson Laboratories Inc.	Industrial	180,712,908	0.25
4.	Castle & Cooke Corona Crossings Inc.	Residential Development	167,371,572	0.24
5.	Lowes HIW Inc.	Industrial	161,562,439	0.23
6.	Walgreen Co.	Industrial	156,831,095	0.22
7.	Prologis California I	Industrial	129,119,126	0.18
8.	Teachers Insurance and Annuity Assoc. of America	Industrial	125,836,517	0.18
9.	Homecoming at Eastvale	Apartments	122,075,888	0.17
10.	Costco Wholesale Corp.	Industrial	120,038,886	0.17
11.	Waterstone Apartments NF	Apartments	118,815,948	0.17
12.	Wal Mart Real Estate Business Trust	Industrial	117,526,706	0.17
13.	AMB Institutional Alliance Fund III	Industrial	116,487,127	0.16
14.	Riverside Healthcare System	Medical Building	105,572,681	0.15
15.	Eastvale Gateway	Industrial	103,032,413	0.15
16.	Ridge Moreno Valley	Industrial	101,585,819	0.14
17.	Metal Container Corp.	Industrial	101,416,402	0.14
18.	DB Reef Perris CA Inc.	Industrial	100,000,000	0.14
19.	Ross Dress for Less Inc.	Industrial	94,806,535	0.13
20.	UPS Supply Chain Solutions General Services Inc.	Industrial	94,333,792	0.13
			$2,604,048,364	3.67%

(1) 2010-11 Local Secured Assessed Valuation: $70,884,555,342
JC: ($450)

Tax Rates

A representative tax rate area located within the District is Tax Rate Area 9-002. The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in this tax rate area during the seven-year period from 2007-08 through 2009-10.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Typical Tax Rate (TRA 9-002)

	2007-08	2008-09	2009-10
General	1.00000	1.00000	1.00000
City of Riverside	.00627	.00747	.00577
Riverside City Community College District	.01259	.01254	.01242
Riverside Unified School District	.03516	.04120	.05354
Metropolitan Water District	.00450	.00430	.00430
Total	1.05852	1.06551	1.07603

KD: ($25)

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. A supplemental tax is levied when property changes hands or new construction is completed.

A ten percent penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty (i.e., interest) to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning December 1 of the fiscal year, and a lien is recorded against the assessee. 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 County Clerk specifying certain facts in order to obtain a judgment lien on specific 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 specified property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

The County levies and collects all property taxes for property falling within its taxing boundaries.

Alternative Method of the Apportionment - Teeter Plan

The Board of Supervisors of Riverside County has approved the implementation of 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, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax levying or tax collecting agency.

The Teeter Plan is applicable to all tax levies for which the County acts as the tax levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections. As adopted by the County, the Teeter Plan excludes Mello Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two thirds of the participating revenue districts in the County. In the event the Board of Supervisors is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax levying or tax collecting agency.

District Debt Structure

Long-Term Debt. A schedule of changes in general long-term debt for the year ended June 30, 2009, is shown below:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF LONG TERM DEBT, AS OF JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds Payable					
General obligation bonds, Series A and B	$ 3,475,000	$ ---	$ ---	$ 3,475,000	$ ---
General obligation bonds, Refunding Bond 2005	56,552,557	666,520	1,260,000	55,959,077	1,495,000
Net unamortized debt premium	4,705,774	---	162,838	4,542,936	---
General obligation bonds, Series 2007 C	83,980,000	---	5,125,000	78,855,000	5,160,000
Net unamortized debt premium	2,640,907	---	176,061	2,464,846	---
Total Bonds Payable	151,354,238	666,520	6,723,899	145,296,859	6,655,000
Other Liabilities					
Compensated absences	2,608,658	246,135	---	2,854,793	713,698
Capital leases	56,250	---	14,674	41,576	14,674
Golden handshake	2,273,357	---	916,229	1,357,128	452,376
Load banking	698,507	350,174	219,946	828,735	---
Other post employment benefits (OPEB)	---	1,474,187	517,462	956,725	---
Total Other Liabilities	5,636,772	2,070,496	1,668,311	6,038,957	1,180,748
Total Long-Term Obligations	$156,991,010	$2,737,016	$8,392,210	$151,335,816	$7,835,748

Source: The District.

General Obligation Bonds. On August 3, 2004 the District issued (i) its General Obligation Bonds, Election of 2004, Series 2004A in the aggregate principal amount of $55,205,000 (the "Series 2004A Bonds") and (ii) its General Obligation Bonds, Election of 2004, Series 2004B in the aggregate principal amount of $9,795,000 (the "Series 2004B Bonds"). On June 8, 2005 the District issued its 2005 General Obligation Refunding Bonds in the aggregate principal amount of $58,386,109.30 (the "2005 Refunding Bonds"), the proceeds of which were used to refund a portion of the Series 2004A Bonds. On June __, 2007, the District issued its General Obligation Bonds, Election of 2004, Series 2007 in the aggregate principal amount of $900,000,000. The following table shows the annual debt service requirements of all the District's general obligation bonded debt, including the Bonds.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
General Obligation Bonds – Consolidated Debt Service Schedule

Period Ending (August 1)	Series 2004B Bonds[(1)]	2005 Refunding Bonds	Series 2007C Bonds	Series 2010D Bonds*	Total Annual Debt Service*
2011	$646,075.00	$4,152,750.00	$3,425,500.00		
2012	746,075.00	4,313,250.00	3,425,500.00		
2013	896,275.00	4,463,250.00	3,425,500.00		
2014	1,069,475.00	4,613,250.00	3,425,500.00		
2015	44,475.00	5,228,250.00	3,425,500.00		
2016	43,837.50	5,463,250.00	3,425,500.00		
2017	48,087.50	5,710,000.00	3,425,500.00		
2018	47,087.50	5,966,500.00	3,425,500.00		
2019	51,087.50	6,236,250.00	3,425,500.00		
2020	49,837.50	6,517,500.00	3,425,500.00		
2021	53,587.50	6,813,500.00	3,425,500.00		
2022	57,012.50	7,117,250.00	3,425,500.00		
2023	60,175.00	7,442,000.00	3,425,500.00		
2024	63,075.00	7,775,250.00	3,425,500.00		
2025	60,712.50	--	10,750,500.00		
2026	63,350.00	--	11,074,250.00		
2027	70,725.00	--	11,398,500.00		
2028	72,425.00	--	11,741,500.00		
2029	73,850.00	--	12,095,500.00		
2030	--	--	12,538,000.00		
2031	--	--	12,912,500.00		
2032	--	--	1,050,000.00		
Total					

(1) Includes only the Series 2004A Bonds not refunded from proceeds of the 2005 Refunding Bonds.
*Preliminary, subject to change.

Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective as of September 1, 2010. 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.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Statement of Direct and Overlapping Bonded Debt

2010-11 Assessed Valuation:	$74,411,938,552	(Riverside County only)
Redevelopment Incremental Valuation:	16,802,550,917	(Preliminary)
Adjusted Assessed Valuation:	$57,609,387,635	

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 9/1/10	
Metropolitan Water District	3.234%	$ 8,544,875	
Eastern Municipal Water District Improvement Districts	0.058-100.	6,651,136	
Riverside City Community College District	**100.**	**126,721,109**	(2)
Alvord Unified School District	100.	211,504,394	
Corona-Norco Unified School District	100.	257,292,399	
Jurupa Unified School District	100.	53,007,972	
Moreno Valley Unified School District	100.	44,163,521	
Riverside Unified School District	100.	155,730,000	
Val Verde Unified School District	100.	41,816,948	
City of Riverside	100.	16,640,000	
Community Facilities Districts	Various	1,274,460,804	
1915 Act Bonds	100.	41,665,000	
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,238,198,158	
Less: City of Moreno Valley Community Facilities District No. 87-1 & No. 3 (100% supported from tax increment revenues)		10,815,000	
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,227,383,158	

OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	38.760%	$ 285,420,563	
Riverside County Pension Obligations	38.760	145,388,760	
Riverside County Board of Education Certificates of Participation	38.760	2,806,224	
Corona-Norco Unified School District General Fund Obligations	100.	27,040,000	
Moreno Valley Unified School District Certificates of Participation	100.	21,355,000	
Val Verde Unified School District Certificates of Participation	100.	85,995,000	
Other Unified School District Certificates of Participation	100.	24,997,061	
City of Corona General Fund Obligations	100.	67,815,000	
City of Moreno Valley Certificates of Participation	99.880	79,269,762	
City of Riverside General Fund and Pension Obligations	100.	350,295,000	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$1,090,382,370	
Less: Riverside County supported obligations		5,861,476	
City of Corona supported obligations		2,800,000	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$1,081,720,894	
GROSS COMBINED TOTAL DEBT		$3,328,580,528	(3)
NET COMBINED TOTAL DEBT		$3,309,104,052	

(1) Based on 2009-10 ratios.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:
Direct Debt ($126,721,109)..0.17%
Total Gross Overlapping Tax and Assessment Debt..............3.01%
Total Net Overlapping Tax and Assessment Debt..................2.99%

Ratios to Adjusted Assessed Valuation:
Gross Combined Total Debt..5.78%
Net Combined Total Debt...5.74%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

KD:($450)

TAX MATTERS

[TO BE UPDATED FOR SERIES 2010D-1 BONDS]

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, 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 calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of such corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

It is possible that subsequent to the issuance of the Bonds, there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

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

LEGAL MATTERS

Legality for Investment in California

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 Government Code of the State, are eligible security for deposits of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2008-09 Fiscal Year, and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the District with each Nationally Recognized Municipal Securities Information Repository (and with the appropriate State information depository, if any). The notices of material events will be filed by the District with each Nationally Recognized Municipal Securities Information Repository (and with the appropriate State information depository, if any). The specific nature of the information to be contained in the Annual Report or the notices of material events is included under the caption "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

The District has, in the past, failed to file certain of its required annual reports in a timely manner as required by its prior continuing disclosure obligations. The District has since filed such reports and is current with respect to all filings required under its existing continuing disclosure obligations.

No Litigation

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

New Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinion

Legal opinions of Bond Counsel, approving the validity of the Tax-Exempt Bonds and the Series 2010D-1 Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinions are attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "___" and "___" by Moody's Ratings ("Moody's") and Standard & Poor's, a Division of McGraw Hill Companies ("S&P"), respectively, without regard to the issuance of the Policy.

The ratings reflect only the views of the respective rating agency, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's Ratings, One State Street Plaza, New York, New York 10004 and Standard & Poor's, a Division of McGraw-Hill Companies, 55 Water Street, 45th Floor, New York, NY 10041. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

Underwriting

Piper Jaffray & Co. (the "Underwriter") has agreed, pursuant to a purchase contract between the District and the Underwriter (the "Purchase Contract"), to purchase all of the Tax-Exempt Bonds for a purchase price of $__________ (consisting of the principal amount of the Tax-Exempt Bonds of $___________, plus net original issue premium of $_____________, less $______________ to be used by the Underwriter to pay costs of issuance (including Underwriter's discount) for the Tax-Exempt Bonds.

Piper Jaffray & Co. (the "Underwriter") has agreed, pursuant to a purchase contract between the District and the Underwriter (the "Purchase Contract"), to purchase all of the Series 2010D-1 Bonds for a purchase price of $__________ (consisting of the principal amount of Series 2010D-1 Bonds of $___________, less $______________ to be used by the Underwriter to pay costs of issuance (including Underwriter's discount) for the Series 2010D-1 Bonds.

The Purchase Contract related to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

The Underwriter has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings allocated to the Underwriter at the original offering prices. Under the Distribution Agreement, if applicable to the Bonds, the Underwriter will share with AAM a portion of the fee or commission, exclusive of management fees, paid to the Underwriter.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein about the District has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only 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, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: ______________________________

Vice Chancellor, Administration and Finance

APPENDIX A

FORM OF OPINIONS OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form:

Date of Delivery

APPENDIX B

EXCERPTS FROM THE DISTRICT'S 2009-10 AUDITED FINANCIAL STATEMENTS

APPENDIX C

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Riverside Community College District (the "District") in connection with the issuance of $_________ Election of 2004 General Obligation Bonds, Series 2010D and the $______ Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (together, the "Bonds"). The Bonds are being issued pursuant to a Resolution of the District dated September -__, 2010 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the 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 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" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) System and any other Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission can be found at www.sec.gov/info/municipal/nrmsir.htm or www.sec.gov.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 1 5c2- 1 2(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.

"State" shall mean the State of California.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2006-07 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are 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).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repositories to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the District shall send a notice to each Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repositories of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided and listing all the Repositories to which it was provided.

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

1. The audited financial statements of the District for the prior fiscal year, 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 time the Annual Report is required to be filed pursuant to Section 3(a), 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.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) State funding received by the District for the last completed fiscal year;

(b) enrollment of the District for the last completed fiscal year;

(c) outstanding District indebtedness;

(d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.

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 have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies,

2. non-payment related defaults,

3. modifications to rights of Bondholders,

4. optional, contingent or unscheduled bond calls,

5. defeasances,

6. rating changes,

7. adverse tax opinions or events affecting the tax-exempt status of the Bonds,

8. unscheduled draws on the debt service reserves reflecting financial difficulties,

9. unscheduled draws on the credit enhancements reflecting financial difficulties,

10. substitution of the credit or liquidity providers or their failure to perform, or

11. release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the Repositories or provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repositories. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(b).

SECTION 6. 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(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. 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 the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. 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 Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate 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 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it 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 gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repositories. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. 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: October __, 2010

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: ______________________________________
Vice Chancellor, Administration and Finance

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: RIVERSIDE COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2004 General Obligation Bonds, Series 2010D

Date of Issuance: October __, 2010

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by .

Dated: __________________

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By ______[form only; no signature required]______

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 85 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 Standard & Poor's highest rating: AAA. 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 and www.dtc.org. The information on such websites is not incorporated herein by reference.

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 Note ("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 certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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 DTC 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.

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 the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Note 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 notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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 the District or the Trustee, on payment 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, the Trustee, or the 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 the Trustee, 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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX E

REGIONAL AND COUNTY INFORMATION FOR RIVERSIDE COUNTY

The following information is included only for the purpose of supplying general information regarding the County of Riverside (the "County"). This information is provided only for general informational purposes, and provides prospective investors limited information about the County and the economic base of the District. The Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor.

The economy of the County is currently experiencing a recession as evidenced by an increased unemployment rate, a slowdown in total personal income and taxable sales, a drop in residential building permits, a decline in the rate of home sales and the median price of single-family homes and condominiums and an increase in notices of default on mortgage loans secured by homes and condominiums. The worsening of the economy at the County, State and national levels may not be reflected in the data prevented below, as more recent information has not been made available to the District.

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,139,535 as of January 1, 2010, representing a 38.4% increase since the 2000 Census or a simple annual average of 3.8%.

The County's population grew by over half a million since 2000, ranking it as one of the major growth areas in the nation. During this period, nine cities and the unincorporated County area each grew by over 20,000 persons. The city of Murrieta added the most residents (over 57,000) to its population. Murrieta is followed by Riverside (48,885), Temecula (47,313), Moreno Valley (46,156), Indio (34,559), Corona (25,450), Beaumont (22,833), Lake Elsinore (22,055) and La Quinta (20,727) by number of residents being added to their populations. The city of Beaumont's population on a percentage basis increased the most since 2000 (185%). Several areas in the unincorporated County area also grew rapidly. These include Eastvale, Temescal Canyon, the El Sobrante/Lake Mathews/Woodcrest area, Winchester, French Valley, and the unincorporated area north of Indio. Much of the growth in the city of Menifee occurred during this period while it was an unincorporated area. Recently, the growth in the County has slowed due to the economy. Between January 1, 2009 and January 1, 2010, the County population increased by 1.4%. Although this rate is far below the County average for the decade, it is above the Statewide average.

The following table sets forth annual population figures as of January 1 of each year for cities located within the County for each of the years listed:

COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(As of January 1)

CITY	2000	2005	2006	2007	2008	2009	2010
Banning	23,562	27,996	28,185	28,174	28,148	28,457	28,751
Beaumont	11,384	19,051	23,238	28,209	31,317	32,403	34,217
Blythe	20,465	22,052	22,234	22,608	21,627	21,329	21,812
Calimesa	7,139	7,491	7,475	7,435	7,423	7,498	7,555
Canyon Lake	9,952	10,950	10,983	10,955	10,994	11,128	11,225
Cathedral City	42,647	50,819	51,294	52,045	51,972	52,447	52,841
Coachella	22,724	30,879	35,354	38,437	40,317	41,000	42,591
Corona	124,966	144,600	145,265	145,847	146,698	148,597	150,416
Desert Hot Springs	16,582	20,820	23,459	24,856	25,939	26,552	26,811
Hemet	58,812	67,565	70,728	72,537	73,205	74,361	75,820
Indian Wells	3,816	4,796	4,885	4,934	5,000	5,093	5,144
Indio	49,116	66,358	71,949	77,046	80,962	82,230	83,675
Lake Elsinore	28,930	38,185	41,156	47,568	49,556	50,267	50,983
La Quinta	23,694	36,278	38,500	41,039	42,743	43,778	44,421
Menifee	0	0	0	0	0	67,705	68,905
Moreno Valley	142,379	165,935	175,294	180,228	182,945	186,301	188,537
Murrieta	44,282	85,328	93,221	97,031	99,576	100,714	101,487
Norco	24,157	26,783	27,355	27,329	27,143	27,160	27,370
Palm Desert	41,155	49,490	49,774	49,717	50,686	51,509	52,067
Palm Springs	42,805	45,877	46,629	46,796	47,019	47,601	48,040
Perris	36,189	44,758	47,335	50,597	53,340	54,323	55,133
Rancho Mirage	13,249	16,476	16,740	16,923	16,975	17,180	17,008
Riverside	255,166	286,563	288,984	291,812	296,191	300,430	304,051
San Jacinto	23,779	28,540	31,194	34,297	35,491	36,477	36,933
Temecula	57,716	81,681	93,673	97,141	99,873	102,604	105,029
Wildomar	0	0	0	0	0	31,321	31,907
TOTALS							
Incorporated	1,124,666	1,379,271	1,444,904	1,493,561	1,525,140	1,648,465	1,672,729
Unincorporated	420,721	504,464	517,110	536,754	553,461	459,188	466,806
County-Wide	1,545,387	1,883,735	1,962,014	2,030,315	2,078,601	2,107,653	2,139,535
California	33,873,086	36,676,931	37,086,191	37,472,074	37,883,992	38,292,687	38,648,090

Source: U.S. Census Bureau for 2000, State Department of Finance, Demographic Research Unit (with 2000 DRU Benchmark) for 2007–2010.

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 than 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 security insurance and federal retirement payroll deductions. 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 County and the State for the period 2004 through 2008. Figures for 2009 are not available.

RIVERSIDE COUNTY AND CALIFORNIA
TOTAL EFFECTIVE BUYING INCOME,
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND
PERCENT OF HOUSEHOLDS WITH INCOMES OVER $50,000[1]

	Total Effective Buying Income[2]	Median Household Effective Buying Income	Percent of Households with Income over $50,000
2004			
Riverside County	$ 29,468,208	$40,275	37.1%
California	705,108,410	43,915	42.5
2005			
Riverside County	32,004,418	41,326	38.9
California	720,798,122	44,681	43.7
2006			
Riverside County	35,656,620	43,490	41.8
California	764,120,082	46,275	45.6
2007			
Riverside County	38,631,365	45,310	44.3
California	814,894,437	48,203	47.9
2008			
Riverside County	40,935,407	46,958	46.2
California	832,531,445	48,952	48.8

(1) Estimated.
(2) Dollars in thousands.
Source: "Survey of Buying Power," Sales & Marketing Management Magazine, dated 2004, 2005 and 2008, and Demographics USA, Trade Dimensions for 2006 and 2007.

Industry and Employment

The County is a part of the Riverside-San Bernardino Primary Metropolitan Statistical Area ("PMSA"), which includes all of Riverside and San Bernardino Counties. The following table sets forth the annual average employment by industry for the PMSA.

RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY[1] (In Thousands)

INDUSTRY	2005	2006	2007	2008	2009
Agriculture	18.3	17.2	16.8	15.9	15.2
Construction	123.3	129.5	112.8	90.7	67.4
Finance, Insurance and Real Estate	49.0	51.8	50.1	46.7	43.6
Government	220.4	224.2	225.7	229.9	227.3
Manufacturing:	121.0	124.0	118.9	106.9	88.5
Nondurables	35.0	36.4	36.4	34.3	30.4
Durables	86.1	87.6	82.5	72.5	58.1
Natural Resources and Mining	1.4	1.4	1.4	1.2	1.2
Retail Trade	165.7	171.5	175.4	168.6	154.9
Prof., Educ. and other Services	416.5	436.2	446.3	440.7	419.6
Trans., Whse. and Utilities	60.2	63.8	66.7	70.2	66.5
Wholesale Trade	49.9	53.8	56.4	54.1	48.3
Information, Pub. and Telecom.	14.5	15.7	15.2	14.9	14.8
Total, All Industries	1,240.3	1,288.4	1,285.5	1,239.7	1,147.1

(1) The employment figures by Industry which are shown above are not directly comparable to the "Total, All Industries" employment figures due to rounded data.
Source: State Employment Development Department, Labor Market Information Division.

The following table sets forth certain of the ten major employers located in the County as of 2008:

COUNTY OF RIVERSIDE CERTAIN MAJOR EMPLOYERS[1] (2010)

Company Name	Product/Service	No. of Local Employees[2]
County of Riverside	County Government	18,456
March Air Reserve Base	Government/Military	8,600
University of California, Riverside	Education Institution	7,321
Stater Brothers Markets	Supermarket Retailer	6,900
Wal-Mart	Retail Store	6,550
Riverside Unified School District	School District	5,099
Abbott Vascular	Medical & Biotech Manufacturer	4,500
Pechanga Resort & Casino	Casino/Resort	4,000
Kaiser Permanente Riverside Medical Center	Healthcare	3,600
Temecula Valley Unified School District	School District	2,752

(1) Certain major employers in the County may have been excluded because of the data collection methodology used by The Business Press.
(2) Includes employees within the County; includes, under certain circumstances, temporary, seasonal and per diem employees.
Source: The Business Press 2010 Book of Lists.

Unemployment statistics for the County, the State and the United States are set forth in the following table.

COUNTY OF RIVERSIDE
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	2005	2006	2007	2008	2009	March
County(1)	5.4%	5.0%	6.0%	8.5%	13.6%	15.1%(2)
California(1)	5.4	4.9	5.3	7.2	11.4	13.0(2)
United States	5.1	4.6	4.6	5.8	9.3	9.7(3)

(1) Data are not seasonally adjusted.
(2) Preliminary.
(3) Data are seasonally adjusted.
Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

Commercial Activity

Commercial activity is an important factor in the County's economy. Much of the County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall, and The Promenade in Temecula. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in the County.

Taxable Sales Transactions

The following table sets forth taxable transactions in the County for the years 2004 through 2008. Figures for 2009 are unavailable.

COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS(1)
(In Thousands)

Types of Business	2004	2005	2006	2007	2008
Apparel Stores	$ 867,276	$ 990,129	$ 1,080,385	$ 1,171,103	$ 1,121,543
General Merchandise Stores	2,756,019	3,021,908	3,250,377	3,272,665	3,081,989
Drug Stores	270,316	282,566	303,177	320,469	307,947
Food Stores	1,079,972	1,197,438	1,309,782	1,352,609	1,254,366
Packaged Liquor Stores					98,338
Eating and Drinking Places	1,940,610	2,157,801	2,316,422	2,338,039	2,340,554
Home Furnishing and Appliances	862,551	964,629	948,217	843,945	816,379
Building Materials and Farm Implements	2,476,092	2,756,280	2,738,153	1,961,911	1,435,337
Auto Dealers Supplies	4,179,940	4,474,566	4,326,040	4,301,385	3,115,036
Service Stations	1,855,263	2,277,082	2,630,716	2,835,690	3,011,476
Other Retail Stores	2,361,182	2,641,985	2,860,181	2,794,790	2,106,283
Retail Stores Total	$18,715,949	$20,839,212	$21,842,345	$21,242,516	$18,689,249
All Other Outlets	6,521,199	7,417,279	7,973,892	7,781,093	7,314,346
Total All Outlets	$25,237,148	$28,256,491	$29,816,237	$29,023,609	$26,003,595

Source: California State Board of Equalization, Research and Statistics Division.

Building and Real Estate Activity

The following tables set forth five-year summaries of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the years 2005 through 2009.

COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(In Thousands)

	2005	2006	2007	2008	2009
RESIDENTIAL					
New Single-Family	$6,243,790	$4,412,257	$2,207,520	$1,214,752	$891,825
New Multi-Family	407,429	431,579	238,316	243,741	76,717
Alterations and	164,312	158,098	141,996	118,490	85,148
Total Residential	$6,815,531	$5,001,934	$2,587,832	$1,576,983	$1,053,690
NON-RESIDENTIAL					
New Commercial	$ 552,665	$ 648,068	$ 682,331	$ 539,944	$ 94,653
New Industry	120,366	288,353	184,506	70,411	12,278
New Other(1)	344,702	290,010	240,765	138,766	107,334
Alterations &	274,339	303,407	350,539	292,694	162,557
Total Nonresidential	$1,292,072	$1,529,838	$1,458,141	$1,041,815	$ 376,822
TOTAL ALL BUILDING	$8,107,603	$6,531,772	$4,045,973	$2,618,798	$1,430,512

(1) Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.
Source: Construction Industry Research Board.

COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS

	2005	2006	2007	2008	2009
Single Family	29,994	20,692	9,763	3,815	3,424
Multi-Family	4,140	4,519	2,690	2,104	784
TOTAL	34,134	25,211	12,443	5,919	4,208

The following table sets forth a comparison of median housing prices for Los Angeles County, Riverside County and Southern California as of March 2009 and March 2010.

	March 2009	March 2010	Percent Change
County of Riverside	$187,000	$198,000	5.9%
Los Angeles County	300,000	329,000	9.7%
Southern California(1)	250,000	285,000	14.0%

(1) Southern California comprises Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
Source: MDA DataQuick Information Systems.

The following table sets forth a comparison of home and condominium foreclosures recorded in Los Angeles County, Riverside County, San Bernardino County and Southern California for the years and quarters indicated.

COUNTY OF RIVERSIDE
COMPARISON OF HOME FORECLOSURES

Year	Los Angeles	Riverside	San Bernardino	Southern California[1]
2005	585	304	402	1,702
2006	1,997	1,778	1,011	7,355
2007	12,466	12,497	7,746	46,086
2008	35,366	32,423	23,557	125,056
2009	30,285	25,500	19,714	100,970

(1) Southern California comprises Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
(2) First two quarters of 2009
Source: MDA DataQuick Information Systems.

Agriculture

Agriculture remains an important source of income in the County. Principal agricultural products are: nursery, milk, table grapes, eggs, avocados, grapefruit, alfalfa, bell peppers, dates, and lemons. Four areas in the County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border. The value of agricultural production in the County for the years 2005 through 2009 is set forth in the following table.

COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	2005	2006	2007	2008	2009
Citrus Fruits	$ 138,244,700	$ 107,897,000	$ 121,387,100	$ 135,759,000	$ 101,652,000
Trees and Vines	188,553,200	191,321,200	189,286,500	173,678,000	191,682,600
Vegetables, Melons, Misc.	261,019,500	213,643,300	234,854,700	266,414,900	221,286,700
Field and Seed Crops	77,687,300	68,611,700	94,492,000	123,545,400	69,699,800
Nursery	229,210,200	270,992,800	272,326,200	230,416,200	206,499,900
Apiculture	2,736,800	3,554,300	3,948,900	5,637,000	5,017,600
Aquaculture Products	13,367,300	13,367,300	9,829,200	12,077,700	5,243,900
Total Crop Valuation	$ 910,819,000	$ 869,387,600	$ 926,124,600	$ 947,529,000	$ 801,082,500
Livestock and Poultry Valuation	257,852,100	234,903,400	338,938,600	321,060,000	214,672,800
Grand Total	$1,168,671,100	$1,104,291,000	$1,265,063,200	$1,268,589,900	$1,015,755,300

Source: Riverside County Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of the County, the western-most portion of which links up with major cities and freeways in the southern part of San Bernardino County with the eastern part linking to the County's Desert cities and Arizona. Interstates 15 and 215 extend north and then east to Las Vegas, and south to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, MetroLink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from several stations in the County. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Indio. Freight service to major west coast and national markets is provided by three transcontinental railroads — Union Pacific Railroad, Burlington Northern and Santa Fe Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The Palo Verde Valley Transit Authority provided service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of the County and the Cities of Riverside, Moreno Valley and Perris.

Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in the County. Ninety-five percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Riverside Unified School District, Moreno Valley Unified School District and Corona-Norco Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also three universities located in the City of Riverside: the University of California at Riverside, La Sierra University and California Baptist University.