

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 13, 2024

NEW ISSUE - FULL BOOK-ENTRY

RATING: S&P: “__”
See “RATING” herein.

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

\$15,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2024 Refunding General Obligation Bonds
Series A

\$50,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2024 Refunding General Obligation Bonds
Series B

Dated: Date of Delivery

Due: As shown on inside front cover.

Authority and Purpose. The captioned bonds (together, the “Bonds”) are being issued by the Los Rios Community College District (the “District”) of Sacramento County (the “County”), California, which also includes territory in El Dorado, Yolo, Placer and Solano Counties (together with the County, the “Counties”) pursuant to applicable provisions of the California Government Code and two separate resolutions adopted by the Board of Trustees of the District on July 10, 2024. The Bonds are being issued by the District for the purpose of refinancing certain outstanding general obligation bonds of the District, all as more particularly identified herein, and paying related costs of issuance. See “THE REFINANCING PLAN” and “THE BONDS - Authority for Issuance” herein. See also “PROPERTY TAXATION - Assessed Valuations” herein for more information about the location of and boundaries of the District.

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

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

Payments. The Bonds are dated the date of delivery and will accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2024. Payments of principal of and interest on the Bonds will be made by the County of Sacramento, Director of Finance, Sacramento, California, as the designated paying agent, registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See “THE BONDS - Description of the Bonds.”

No Early Redemption. The Bonds are not subject to redemption prior to maturity. See “THE BONDS – No Early Redemption”.

MATURITY SCHEDULE

(See inside cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. _____, _____, California, is serving as Underwriter’s counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about September 4, 2024*.

[LOGO OF SELECTED UNDERWRITER]

The date of this Official Statement is _____, 2024.

*Preliminary, subject to change.

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

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

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

Base CUSIP†: 545624

2024 General Obligation Refunding Bonds, Series A

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

2024 General Obligation Refunding Bonds, Series A

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

*Preliminary; subject to change.

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

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services ("CGS"), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. © 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience only. Neither of the District nor the Underwriter takes any responsibility for the accuracy of such numbers.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
SACRAMENTO COUNTY*, CALIFORNIA**

DISTRICT BOARD OF TRUSTEES

Pamela Haynes, President; *Area 5*
Kelly Wilkerson, Vice President; *Area 4*
Dustin Johnson, Trustee; *Area 1*
Robert Jones, Trustee; *Area 2*
John Knight, Trustee; *Area 3*
Tami Nelson, Trustee; *Area 7*
Deborah Ortiz, Trustee; *Area 6*

DISTRICT ADMINISTRATIVE STAFF

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

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company, Inc.
San Francisco, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

Director of Finance, County of Sacramento
Sacramento, California

UNDERWRITER'S COUNSEL

_____, *California*

*79.35% of the District's fiscal year 2023-24 assessed valuation is located in Sacramento County. The boundaries of the District also include property located in El Dorado, Yolo, Placer and Solano Counties. See "PROPERTY TAXATION - Assessed Valuations" herein.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE REFINANCING PLAN	3
The Refunded Bonds	3
Deposits in Escrow Funds	4
SOURCES AND USES OF FUNDS	5
THE BONDS	6
Authority for Issuance	6
Description of the Bonds	6
Book-Entry Only System	6
No Early Redemption	7
Registration, Transfer and Exchange of Bonds	7
Defeasance	7
DEBT SERVICE SCHEDULES	10
SECURITY FOR THE BONDS	12
<i>Ad Valorem</i> Property Taxes	12
Debt Service Funds	13
Not a County Obligation	13
PROPERTY TAXATION	13
Property Tax Collection Procedures	13
Taxation of State-Assessed Utility Property	14
Assessed Valuation	15
Reassessments and Appeals of Assessed Value	18
Tax Rates	20
Teeter Plan; Property Tax Collections	21
Major Taxpayers	22
Direct and Overlapping Debt	23
TAX MATTERS	25
Tax Exemption	25
Other Tax Considerations	26
Forms of Opinions	26
CERTAIN LEGAL MATTERS	27
Legality for Investment	27
Absence of Material Litigation	27
Compensation of Certain Professionals	27
Cyber Risks	27
CONTINUING DISCLOSURE	28
RATING	29
UNDERWRITING	29
ADDITIONAL INFORMATION	29
EXECUTION	30
APPENDIX A - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT	A-1
APPENDIX B - LOS RIOS COMMUNITY COLLEGE DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2022-23	B-1
APPENDIX C - DEMOGRAPHIC INFORMATION ABOUT SACRAMENTO COUNTY, EL DORADO COUNTY AND YOLO COUNTY	C-1
APPENDIX D - PROPOSED FORMS OF OPINIONS OF BOND COUNSEL	D-1
APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE	E-1
APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM	F-1
APPENDIX G - SACRAMENTO COUNTY INVESTMENT POOL – INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT	G-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

\$15,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2024 Refunding General Obligation Bonds
Series A

\$50,000,000*
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2024 Refunding General Obligation Bonds
Series B

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the captioned 2024 Refunding General Obligation Bonds, Series A (the “**Series A Refunding Bonds**”) and 2024 Refunding General Obligation Bonds, Series B (the “**Series B Refunding Bonds**”, and together with the Series A Bonds, the “**Bonds**”) by the Los Rios Community College District (the “**District**”).

INTRODUCTION

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

The District. The District commenced operations as a community college district on July 1, 1965. The District is a public, multi-campus community college district serving the greater Sacramento region which has a population of over 2 million residents. The District provides higher education instruction for the first and second years of college, as well as vocational training, at four campuses: American River College, Cosumnes River College, Folsom Lake College and Sacramento City College. The District also operates six additional educational centers which operate within its boundaries. The District’s service area includes approximately 2,400 square miles, including most of Sacramento County (79.35% of the District’s fiscal year 2023-24 assessed valuation is located in Sacramento County) and portions of El Dorado, Yolo, Solano and Placer counties (each, a “**County**”; collectively, the “**Counties**”). The District’s total assessed value in fiscal year 2023-24 is \$266,026,451,446. For more information regarding the District and its finances, see APPENDIX A and APPENDIX B hereto. See also APPENDIX C for demographic and other statistical information regarding Sacramento County, El Dorado County and Yolo County.

Purposes. The net proceeds of the Bonds, respectively, will be used to refinance on a current basis two prior series of general obligation bonds issued by the District. See “THE REFINANCING PLAN” herein.

Authority for Issuance of the Bonds. The Bonds will be issued pursuant to the applicable provisions of the California Government Code and two separate resolutions adopted by the Board of Trustees of the District on July 10, 2024 (each, a “**Bond Resolution**”). See “THE BONDS - Authority for Issuance” herein.

*Preliminary; subject to change.

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

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

No Early Redemption. The Bonds are not subject to redemption prior to maturity.

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

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

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” and Appendix D hereto for the form of Bond Counsel’s opinion to be delivered concurrently with the Bonds.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available by request to the Office of the Chancellor at Los Rios Community College District, 1919 Spanos Court, Sacramento, California 95825, telephone: 916-568-3021. The District may impose a charge for copying, mailing and handling.

THE REFINANCING PLAN

The Refunded Bonds

Purpose of Series A Refunding Bonds. The Series A Bonds are being issued by the District to refund on a current basis certain maturities of the following bonds:

- Los Rios Community College District (Sacramento County, California) General Obligation Bonds, 2002 Election, Series E, issued in the aggregate principal amount of \$20,000,000 (the “**2002 Series E Bonds**”),

The 2002 Series E Bonds to be refunded (the “**Refunded Series E Bonds**”) are identified more particularly in the following table.

LOS RIOS COMMUNITY COLLEGE DISTRICT Identification of Refunded 2002 Series E Bonds*

Maturities Payable from Escrow (August 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP†
--	-----------------------------	----------------------	----------------------------	-----------------------------	---------------

Total:

**Preliminary; subject to change.*

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

Purpose of Series B Refunding Bonds. The Series B Bonds are being issued by the District to refund on a current basis certain maturities of the following bonds:

- Los Rios Community College District (Sacramento County, California) General Obligation Bonds, 2008 Election, Series B, issued in the aggregate principal amount of \$20,000,000 (the “**2008 Series B Bonds**”),

The 2008 Series B Bonds to be refunded (the “**Refunded 2008 Series B Bonds**”) are identified more particularly in the following table.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Identification of Refunded 2008 Series B Bonds***

Maturities Payable from Escrow (August 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP†
Total:					

**Preliminary; subject to change.*

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

Deposits in Escrow Funds. The District will deliver the net proceeds of each respective series of Bonds to U.S. Bank Trust Company, National Association, as escrow agent (the “**Escrow Agent**”), for deposit in two separate escrow funds (each, an “**Escrow Fund**”) established under two separate Escrow Agreements (each, an “**Escrow Agreement**”), between the District and the Escrow Agent, one relating to the deposit of proceeds of the Series A Refunding Bonds and the other relating to the deposit of proceeds of the Series B Refunding Bonds. The Escrow Agent will invest such funds in federal securities or hold such funds in cash, uninvested, and will apply such funds to pay the principal of and interest on the applicable series of Refunded Bonds, including the redemption price of said Refunded Bonds, as set forth above, together with accrued interest to the redemption date identified above.

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

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

SOURCES AND USES OF FUNDS

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

LOS RIOS COMMUNITY COLLEGE DISTRICT Sources and Uses

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

Sources of Funds	Series A Refunding Bonds	Series B Refunding Bonds
Principal Amount of Bonds		
Plus Net Original Issue Premium		
Total Sources		
Uses of Funds		
Deposit to Escrow Fund		
Costs of Issuance ⁽¹⁾		
Total Uses		

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

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

[Remainder of Page Intentionally Left Blank]

THE BONDS

Authority for Issuance

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

Description of the Bonds

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

The Bonds will be issued in the denomination of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2025 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th calendar day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2025, in which event it will bear interest from the date of delivery thereof identified on the cover page. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

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

Book-Entry Only System

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

As long as DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the

prepayment of the Bonds called for prepayment or of any other action premised on such notice. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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

No Early Redemption*

The Bonds are not subject to redemption prior to maturity.

Registration, Transfer and Exchange of Bonds

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

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

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

No exchanges of Bonds shall be required to be made fifteen days prior to an Interest Payment Date until the close of business on the Interest Payment Date.

Defeasance

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

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay such Bonds; or

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

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

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

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

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

XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

DEBT SERVICE SCHEDULES

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

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Series A Refunding Bonds Debt Service Schedule**

Payment Date (August 1)	Principal	Interest	Total Debt Service
2025			
2026			
2027			
Total			

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Series A Refunding Bonds Debt Service Schedule**

Payment Date (August 1)	Principal	Interest	Total Debt Service
2025			
2026			
2027			
Total			

[Remainder of Page Intentionally Left Blank]

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

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Combined Debt Service Schedule**

Period Ending (Aug. 1)	Outstanding Bonds Annual Debt Service*	Series A Refunding Bonds Debt Service	Series B Refunding Bonds Debt Service	Aggregate Annual Debt Service
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
TOTAL				

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

SECURITY FOR THE BONDS

Ad Valorem Property Taxes

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

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

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

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

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

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

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

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

Debt Service Funds

Pursuant to the Bond Resolutions, the County will establish Debt Service Funds for the Bonds, respectively, into which will be deposited all taxes levied by the Counties for the payment by the District of the principal of and interest on the applicable series of Bonds. The Debt Service Funds are pledged by the District for the payment by it of the principal of and interest on the applicable series of Bonds when and as the same become due. The County will receive the tax proceeds collected by the Counties and will deposit said amounts into the applicable Debt Service Fund, and will transfer amounts in said Debt Service Fund to the Paying Agent to the extent necessary to enable the District to pay the principal of and interest on the applicable series of the Bonds as the same becomes due and payable.

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813

(Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

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

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict whether future amendments or orders will occur, and what impact, if any, said future amendments or orders could have on the procedures relating to the levy and collection of property taxes, and related interest and penalties.

Taxation of State-Assessed Utility Property

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

[Remainder of Page Intentionally Left Blank]

Assessed Valuation

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

LOS RIOS COMMUNITY COLLEGE DISTRICT Assessed Valuations of All Taxable Property Fiscal Years 2013-14 to 2023-24

Fiscal Year	Total District Assessed Valuation	Annual % Change
2013-14	\$147,391,985,921	--
2014-15	156,423,111,776	6.1%
2015-16	163,898,770,566	4.8
2016-17	172,786,786,876	5.4
2017-18	183,348,159,670	6.1
2018-19	195,607,823,849	6.7
2019-20	207,696,746,755	6.2
2020-21	219,570,556,876	5.7
2021-22	230,555,525,168	5.0
2022-23	248,534,064,140	7.8
2023-24	266,026,451,446	7.0

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and man-made or natural disasters which include but are not limited to earthquakes, fires/wildfires, floods, drought, mudslides and the consequences of climate change such as heat waves, droughts, sea level rise and floods, which could have an impact on assessed values. The State including the region in which the District is located has in recent years experienced significant natural disasters such as earthquakes, droughts, mudslides, wildfires and floods. Public health disasters such as the COVID-19 pandemic could also have direct and indirect impacts on economic conditions and property values.

Future Conditions and Disasters Cannot be Predicted. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters, including health disasters such as the COVID-19 pandemic, and the effects of climate change, and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

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

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2023-24**

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Citrus Heights	\$ 9,290,920,888	3.49%	\$9,290,920,888	100.00%
City of Davis	10,966,607,306	4.12	\$10,966,607,306	100.00%
City of Elk Grove	27,216,448,362	10.23	\$27,216,448,362	100.00%
City of Folsom	19,547,855,189	7.35	\$19,547,855,189	100.00%
City of Placerville	1,392,420,130	0.52	\$1,392,420,130	100.00%
City of Rancho Cordova	12,583,331,638	4.73	\$12,583,331,638	100.00%
City of Sacramento	71,815,018,572	27.00	\$71,815,018,572	100.00%
City of West Sacramento	9,965,453,733	3.75	\$9,965,453,733	100.00%
Unincorporated El Dorado County	30,643,536,819	11.52	\$35,266,504,353	86.89%
Unincorporated Placer County	130,554,907	0.05	\$43,610,073,937	0.30%
Unincorporated Sacramento County	70,642,219,579	26.55	\$78,002,988,621	90.56%
Unincorporated Solano County	38,409,807	0.01	\$5,935,226,922	0.65%
Unincorporated Yolo County	<u>1,793,674,516</u>	<u>0.67</u>	\$6,107,245,448	29.37%
Total District	\$266,026,451,446	100.00%		
 Summary by County:				
El Dorado County	\$ 32,035,956,949	12.04%	\$43,293,091,492	74.00%
Placer County	130,554,907	0.05	\$104,906,732,635	0.12%
Sacramento County	211,095,794,228	79.35	\$221,572,703,513	95.27%
Solano County	38,409,807	0.01	\$70,305,844,251	0.05%
Yolo County	<u>22,725,735,555</u>	<u>8.54</u>	\$36,331,598,694	62.55%
Total District	\$266,026,451,446	100.00%		

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

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

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2023-24**

	2023-24	% of	No. of	% of
Non-Residential:	Assessed Valuation⁽¹⁾	Total	Parcels	Total
Agricultural/Rural	\$ 1,109,594,779	0.43%	2,015	0.36%
Commercial/Office Buildings	39,143,761,446	15.25	14,793	2.65
Vacant Commercial	1,234,821,452	0.48	2,594	0.46
Industrial	21,814,426,592	8.50	7,124	1.27
Vacant Industrial	1,541,190,223	0.60	3,897	0.70
Recreational	1,248,512,194	0.49	801	0.14
Government/Social/Institutional	561,154,039	0.22	10,789	1.93
Miscellaneous	<u>54,420,622</u>	<u>0.02</u>	<u>7,015</u>	<u>1.25</u>
Subtotal Non-Residential	\$66,707,881,347	25.99%	49,028	8.77%
Residential:				
Single Family Residence	\$164,312,497,818	64.02%	436,534	78.08%
Condominium/Townhouse	2,716,888,128	1.06	16,129	2.88
Mobile Home	455,922,360	0.18	6,222	1.11
Mobile Home Park	304,570,451	0.12	110	0.02
2-4 Residential Units	4,084,715,627	1.59	18,974	3.39
5+ Residential Units/Apartments	12,991,671,937	5.06	3,515	0.63
Miscellaneous Residential Improvements	569,427,759	0.22	3,189	0.57
Vacant Residential	<u>4,516,596,205</u>	<u>1.76</u>	<u>25,369</u>	<u>4.54</u>
Subtotal Residential	\$189,952,290,285	74.01%	510,042	91.23%
Total	\$256,660,171,632	100.00%	559,070	100.00%

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

[Remainder of Page Intentionally Left Blank]

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

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Per Parcel 2023-24 Assessed Valuation of Single-Family Homes**

	<u>No. of Parcels</u>	<u>2023-24 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	436,534	\$164,312,497,818	\$376,403	\$336,863

<u>2023-24 Assessed Valuation</u>	<u>No. of Parcels (1)</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	6,319	1.448%	1.448%	\$ 238,602,498	0.145%	0.145%
\$50,000 - \$99,999	25,631	5.871	7.319	1,959,478,397	1.193	1.338
\$100,000 - \$149,999	33,577	7.692	15.011	4,232,522,972	2.576	3.914
\$150,000 - \$199,999	39,892	9.138	24.149	6,996,642,581	4.258	8.172
\$200,000 - \$249,999	40,386	9.252	33.401	9,086,003,458	5.530	13.701
\$250,000 - \$299,999	41,656	9.542	42.943	11,450,560,916	6.969	20.670
\$300,000 - \$349,999	41,432	9.491	52.434	13,455,562,540	8.189	28.859
\$350,000 - \$399,999	39,335	9.011	61.445	14,737,164,924	8.969	37.828
\$400,000 - \$449,999	36,114	8.273	69.718	15,325,753,284	9.327	47.155
\$450,000 - \$499,999	29,572	6.774	76.492	14,017,373,686	8.531	55.686
\$500,000 - \$549,999	23,001	5.269	81.761	12,053,998,677	7.336	63.022
\$550,000 - \$599,999	18,590	4.259	86.020	10,659,059,352	6.487	69.509
\$600,000 - \$649,999	14,247	3.264	89.283	8,885,626,638	5.408	74.917
\$650,000 - \$699,999	11,074	2.537	91.820	7,458,166,568	4.539	79.456
\$700,000 - \$749,999	8,219	1.883	93.703	5,946,790,592	3.619	83.075
\$750,000 - \$799,999	6,060	1.388	95.091	4,687,839,131	2.853	85.928
\$800,000 - \$849,999	4,614	1.057	96.148	3,799,629,025	2.312	88.241
\$850,000 - \$899,999	3,496	0.801	96.949	3,053,139,958	1.858	90.099
\$900,000 - \$949,999	2,605	0.597	97.546	2,406,827,285	1.465	91.564
\$950,000 - \$999,999	1,952	0.447	97.993	1,901,424,427	1.157	92.721
\$1,000,000 and greater	<u>8,762</u>	<u>2.007</u>	100.000	<u>11,960,330,909</u>	<u>7.279</u>	100.000
	436,534.	100.000%		\$164,312,497,818	100.000%	

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

Reassessments and Appeals of Assessed Value

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

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

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as

residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

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

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

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

[Remainder of Page Intentionally Left Blank]

Tax Rates

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

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

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

	2019-20	2020-21	2021-22	2022-23	2023-24
General	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Sacramento Unified School District	.0232	.0223	.0249	.0226	.0192
Los Rios Community College District	.1139	.1171	.0918	.1280	.1278
Total	\$1.1371	\$1.1394	\$1.1167	\$1.1506	\$1.1470

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

	2019-20	2020-21	2021-22	2022-23	2023-24
General	\$1.000000	\$1.000000	\$1.000000	\$1.00000	\$1.00000
Buckeye Union School District	.019911	.019549	.019629	.01856	.01800
El Dorado Union High School District	.015724	.012937	.013761	.01096	.01023
Los Rios Community College District	.023200	.022300	.024900	.02260	.01920
Total	\$1.058835	\$1.054786	\$1.058290	\$1.05212	\$1.04743
El Dorado Irrigation District (Land Only)	.000000	.000000	.000000	.000000	.000000

Yolo County Portion (TRA 4-039)⁽⁴⁾

	2019-20	2020-21	2021-22	2022-23	2023-24
General	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Washington Unified School District	.0810	.0730	.1148	.1030	.2480
Los Rios Community College District	.0232	.0223	.0249	.0226	.0192
Total	\$1.1042	\$1.0953	\$1.1397	\$1.1256	\$1.2672

Placer County Portion (TRA 67-004)⁽⁵⁾

	2019-20	2020-21	2021-22	2022-23	2023-24
General	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Elverta Joint Unified School District	.0222	.0277	.0251	.0198	.0257
Twin Rivers Unified School District	.0810	.0813	.0794	.0656	.0854
Los Rios Community College District	.0232	.0223	.0249	.0226	.0192
Total	\$1.1264	\$1.1313	\$1.1294	\$1.1080	\$1.1303

Solano County Portion (TRA 62-000)⁽⁶⁾

	2019-20	2020-21	2021-22	2022-23	2023-24
General	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Davis Joint Unified School District	.0678	.0658	.0668	.0680	.0680
Solano County Flood Control District	.0200	.0200	.0200	.0200	.0200
Los Rios Community College District	.0232	.0223	.0249	.0226	.0192
Total	\$1.1110	\$1.1081	\$1.1117	\$1.1106	\$1.1072

(1) Per \$100 of assessed valuation.

(2) 2023-24 assessed valuation of TRA 3-005 is \$14,255,850,994 which is 5.36% of the district's total assessed valuation.

(3) 2023-24 assessed valuation of TRA 54-135 is \$2,619,600,507 which is 0.98% of the district's total assessed valuation.

(4) 2023-24 assessed valuation of TRA 4-039 is \$4,243,374,861 which is 1.60% of the district's total assessed valuation.

(5) 2023-24 assessed valuation of TRA 67-004 is \$71,200,303 which is 0.03% of the district's total assessed valuation.

(6) 2023-24 assessed valuation of TRA 62-000 is \$38,409,807 which is 0.01% of the district's total assessed valuation.

Source: California Municipal Statistics, Inc.

Teeter Plan; Property Tax Collections

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

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

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

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

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

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2018-19	\$19,126,952	\$153,263	0.80%
2019-20	36,104,426	343,905	0.95
2020-21	36,848,994	293,235	0.80
2021-22	43,399,676	293,331	0.68
2022-23	42,569,476	362,908	0.85

(1) Debt service levy only for the Sacramento County portion of the District’s debt service levy (the Sacramento portion of District assessed valuation representing 78% of total District assessed valuation).

Source: California Municipal Statistics, Inc.

The District cannot provide any assurances that the Counties will continue to maintain the Teeter Plan described above or will have sufficient funds available to distribute the full amount of the District’s share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District’s or the County’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or

depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See “SECURITY FOR THE BONDS – Disclosure Relating to COVID-19.”

Major Taxpayers

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

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

LOS RIOS COMMUNITY COLLEGE DISTRICT Top Twenty Secured Property Taxpayers Fiscal Year 2023-24

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2023-24 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	Intel Corporation	Office Building	\$ 804,903,896	0.31%
2.	Oakmont Properties	Apartments	716,676,460	0.28
3.	PW Fund B Development LLC	Industrial	505,682,743	0.20
4.	Ethan Conrad	Office Building	497,356,185	0.19
5.	BRE Delta Industrial Sacramento LP	Industrial	353,952,030	0.14
6.	City of Sacramento & The Sacramento Kings	Sports Arena	352,616,833	0.14
7.	Target Corporation	Commercial Stores	304,397,307	0.12
8.	MP Holdings LLC	Office Building	289,200,948	0.11
9.	Ragingwire Data Centers Inc.	Industrial	279,783,996	0.11
10.	Harsch Investment Properties LLC	Industrial	242,579,612	0.09
11.	Wal Mart Real Estate Business Trust	Commercial Stores	238,049,525	0.09
12.	Apple Computer Inc.	Industrial	227,685,788	0.09
13.	CA Sacramento Commons LLC	Apartments	221,577,456	0.09
14.	PF Portfolio 1 LP	Office Building	219,328,637	0.09
15.	Hancock SREIT Sacramento LLC	Office Building	208,921,734	0.08
16.	GPT Props Trust	Office Building	197,298,322	0.08
17.	HP Hood LLC	Industrial	195,124,902	0.08
18.	BRE Depot Park LLC	Industrial	194,478,976	0.08
19.	Natomas Development Partners LLC	Office Building	180,056,340	0.07
20.	SRI Eleven 621 Capitol Mall LLC	Office Building	176,077,028	0.07
			\$6,405,748,718	2.50%

(1) 2023-24 local secured assessed valuation: \$256,660,171,632.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

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

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

[Remainder of page intentionally left blank]

LOS RIOS COMMUNITY COLLEGE DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of June 1, 2024

2023-24 Assessed Valuation: \$266,026,451,446

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/24</u>
Los Rios Community College District	100.000%	\$ 399,905,000 ⁽¹⁾
Folsom-Cordova Unified School District School Facilities Improvement Districts	100.000	470,820,346
Elk Grove Unified School District	100.000	425,350,000
Natomas Unified School District	100.000	370,755,000
Sacramento Unified School District	100.000	638,740,892
San Juan Unified School District	100.000	726,020,411
Twin Rivers Unified School District	100.000	82,920,000
Other Unified School Districts	Various	334,818,783
High School and Elementary School Districts	Various	485,897,679
Cameron Community Services District	100.000	4,750,000
Other Special Districts	100.000	34,725,058
Elk Grove Unified School District Community Facilities District No. 1	100.000	192,126,133
City of Folsom Community Facilities Districts	100.000	177,548,000
City of Sacramento Community Facilities Districts	100.000	217,730,000
City of West Sacramento Community Facilities Districts	100.000	93,039,615
Other Community Facilities Districts	100.000	831,274,100
1915 Act and Benefit Assessment Bonds (Estimate)	100.000	<u>516,368,439</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$6,002,789,456

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	95.272%	\$ 99,726,493
Sacramento County Pension Obligation Bonds	95.272	412,808,812
Other County Obligations	Various	77,800,913
Sacramento Unified School District Certificates of Participation	100.000	48,945,000
Washington Unified School District General Fund Obligations	100.000	63,660,563
Other Unified School District General Fund Obligations	Various	45,924,284
High School District and School District General Fund Obligations	Various	37,659,223
City of Sacramento General Fund Obligations	100.000	509,445,000
Other City General Fund Obligations	100.000	58,843,011
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	94.269	28,480,550
Special District General Fund Obligations	Various	<u>63,730,331</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$1,447,024,180
Less: Sacramento County supported obligations		10,537,610
City of Sacramento supported obligations		358,315,462
City of West Sacramento supported obligations		<u>6,037,906</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$1,072,133,202

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$268,660,117

GROSS COMBINED TOTAL DEBT \$7,718,473,753 ⁽²⁾
NET COMBINED TOTAL DEBT \$7,343,582,775

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$399,905,000)	0.15%
Total Direct and Overlapping Tax and Assessment Debt	2.26%
Gross Combined Total Debt	2.90%
Net Combined Total Debt	2.76%

Ratios to Redevelopment Incremental Valuation (\$20,691,385,405):
Total Overlapping Tax Increment Debt 1.30%

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

TAX MATTERS

Tax Exemption

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

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

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

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

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

who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

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

Other Tax Considerations

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

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

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

Forms of Opinions

Copies of the proposed forms of opinions of Bond Counsel are attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Material Litigation

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

[[To be Confirmed]] Future Litigation; Other Claims Unrelated to the Bonds. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds and which have arisen or may arise in the normal course of operating a public school district. The District maintains certain insurance policies to minimize its financial risks which provide coverage under certain circumstances and with respect to certain types of incidents. In the opinion of the District, the aggregate amount of uninsured liabilities under existing lawsuits and claims will not materially affect the financial position or operations of the District.

Compensation of Certain Professionals

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

Cyber Risks

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

[[To be Confirmed]] The District has never had a major cyber breach that resulted in a financial loss. Efforts the District takes to minimize cyber risks include: _____. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

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

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in substantially the form attached hereto as APPENDIX E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently would be March 31), commencing March 31, 2025 with the report for the 2023-24 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board (the “**MSRB**”). The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of the District’s outstanding general obligation bonds and other indebtedness (see information in APPENDIX A under the heading “DISTRICT FINANCIAL INFORMATION – Long-Term Indebtedness”). A review of the District’s prior undertakings and filings made in the previous five years has been undertaken. Instances of material noncompliance occurring in the previous five years are _____.

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

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

RATING

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

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

UNDERWRITING

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

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

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

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

LOS RIOS COMMUNITY COLLEGE DISTRICT

By: _____
Vice Chancellor,
Finance and Administration

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

TABLE OF CONTENTS FOR APPENDIX A

Page A-

DISTRICT GENERAL INFORMATION.....	1
The District	1
Accreditation.....	1
Administration.....	2
Recent Enrollment Trends.....	3
Employee Relations.....	3
Insurance; Risk Management.....	4
Funding of Community College Districts in California	5
District Accounting Practices	7
Revenues, Expenditures and Changes in Fund Net Position.....	8
District Budget	10
General Fund Reserves	11
District Retirement Systems	11
Other Post-Employment Benefits (“OPEB”) - Health Care Benefits	15
Indebtedness of the District	17
Investment of District Funds	18
STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS	18
State Budgeting for Education Generally	18
The Budget Process	18
Available Public Resources	19
The 2024-25 State Budget	19
Disclaimer Regarding State Budgets.....	19
Legal Challenges to State Funding of Education	20
CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.....	20
Constitutionally Required Funding of Education.....	20
Article XIII A of the California Constitution.....	20
Article XIII B of the California Constitution.....	21
Unitary Property.....	22
Articles XIII C and XIII D of the California Constitution.....	22
Proposition 98.....	23
Proposition 111	24
Proposition 39.....	25
Proposition 1A and Proposition 22	26
Proposition 30 and Proposition 55.....	26
California Senate Bill 222	27
Proposition 19.....	28
Future Initiatives	28

DISTRICT GENERAL INFORMATION

The District

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

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

- **American River College (“ARC”)**, founded in 1955, is situated on 153 acres in northern Sacramento and is the largest of the four colleges serving approximately [[30,880]] students at its main campus as well as off-campus locations including the Natomas Educational Center in the northwestern area of Sacramento.
- **Sacramento City College (“SCC”)**, founded in 1916, is the seventh oldest public community college in the State and serves over [[19,600]] students, including educational services provided in Yolo County at the Davis Educational Center and the West Sacramento Center.
- **Cosumnes River College (“CRC”)**, founded in 1970, is situated on 150 acres in south Sacramento, one of the fastest growing regions of the District, and serves more than [[13,980]] students at its main campus as well as the Elk Grove Center.
- **Folsom Lake College** received its first accreditation on January 19, 2004. Its main campus serves students in the eastern part of Sacramento County. The El Dorado Center of Folsom Lake College serves students in the Placerville area of El Dorado County. The college also has a center in the city of Rancho Cordova which was formally approved by the Board of Governors in March 2016. Total enrollment for the Folsom Lake College exceeds [[9,160]] students.

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

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

Accreditation

The District’s four colleges are accredited by the Accrediting Commission for Community and Junior Colleges (“**ACCJC**”), a division of the Western Association of Schools and Colleges. Accreditation by the ACCJC is voluntary and designed to evaluate and enforce standards of

educational quality and institutional effectiveness. Accreditation is also a form of peer review. ACCJC standards and criteria are developed and implemented by representatives from the member institutions. Accreditation is granted for an unlimited period of time, with a standard provision for an institutional self-study every seven years, along with review and visitation by the Accreditation Commission. Accreditation is granted on the basis of demonstrated evidence that the institution is fulfilling its stated goals and objectives through qualified personnel, sound planning, appropriate programs and services, and adequate resources. The ACCJC is not a governmental agency and has no direct authority over the District's operations.

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

Administration

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

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Board of Trustees**

<u>Trustee Name</u>	<u>Area</u>	<u>Term Expires</u>
Pamela Haynes, President	5	December 2024
Kelly Wilkerson, Vice President	4	December 2024
Dustin Johnson, Trustee	1	December 2026
Robert Jones, Trustee	2	December 2026
John Knight, Trustee	3	December 2024
Tami Nelson, Trustee	7	December 2024
Deborah Ortiz, Trustee	6	December 2026

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

Recent Enrollment Trends

The following table shows the number of full-time equivalent students for the District for the fiscal years 2014-15 through 2023-24.

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

Full-Time Equivalent Students ⁽¹⁾				
Fiscal Year	Achieved	Percentage Change	Reported ⁽²⁾	Percentage Change
2014-15	49,853	(0.2)	52,171	--
2015-16	50,311	0.9	47,779	(8.4)%
2016-17	49,173	(2.3)	52,640	10.2
2017-18	47,847	(2.7)	44,313	(15.8)
2018-19	47,954	0.2	51,167	15.5
2019-20	47,529	(0.9)	44,316	(13.4)
2020-21	42,798	(10.0)	42,798	(3.4)
2021-22	39,870	(6.8)	39,870	(6.8)
2022-23	44,487	11.6	44,487	11.6
2023-24	[to come]			
2024-25 ⁽³⁾	[to come]			

(1) Resident enrollment.

(2) Includes summer shift.

(3) Projected.

Source: Los Rios Community College District.

The District's enrollment and regional population is growing, being up over ten percent from Summer 2023 to Summer 2024.

Employee Relations

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

[Updates to be made as applicable]

LOS RIOS COMMUNITY COLLEGE DISTRICT Fiscal Year 2023-24 Bargaining Organization and Contract Dates

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

*Parties perform pursuant to expired terms pending settlement.

Source: Los Rios Community College District.

Insurance; Risk Management

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

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

The District’s insurance policies also provide coverage for cyber-security incidents. For more information regarding the JPA, see Note 10 of Appendix B to the Official Statement.

[Remainder of Page Intentionally Left Blank]

DISTRICT FINANCIAL INFORMATION

Funding of Community College Districts in California

Major Revenues. California community college districts receive, on average, approximately 52% of their funds from the State's general fund, approximately 44% from local sources being the District's share of the county-wide property tax and revenues derived from District operations such as student fees and sales, and approximately 4% from federal sources in the form of grants and transfers. State funds include general apportionment, categorical funds, capital construction, the lottery, and other minor sources. Local sources include property taxes, student fees, and miscellaneous sources. Because such a large portion of a community college district's funding is derived from State sources, increases or decreases in State revenues or in State legislative appropriations made to fund higher education may significantly affect the District's revenues and operations. See information herein regarding the State budget under the caption "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

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

Under SB 361, commencing with fiscal year 2006-07, minimum funding per FTES was: (a) not less than \$4,367 per credit FTES; (b) a uniform rate of \$2,626 per noncredit FTES; and (c) \$3,092 per FTES for the instructional category known as "career development and college preparation," all subject to cost of living adjustments funded through State budgeting legislation in each fiscal year, if any. Due to the formula for determining FTES, the number of FTES in a district may not necessarily equal the number of students enrolled in the district. Nonresident and international students are excluded from the State funding formula and pay full tuition.

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

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

- (1) a **base allocation** consistent with the SB 361 formula described above (the "**Base Allocation**");
- (2) a **supplemental allocation** based on the number of students who receive a California Promise Grant, Pell Grant or are non-resident students that qualify for in-state tuition; and

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

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

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

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

Other Funding Sources: Local Revenues

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

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

A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State; however, these are not categorical funds as they are not for particular programs

or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

District Accounting Practices

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

The District's Audited Financial Statements for fiscal year 2022-23 were prepared by Eide Bailly, LLP, San Ramon, California and are attached as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Chancellor's Office.

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

[Remainder of Page Intentionally Left Blank]

Revenues, Expenditures and Changes in Fund Net Position

The following table sets forth the District's recent audited revenues, expenses and change in net position. For fiscal year 2023-24, see the table below under "– District Budget."

LOS RIOS COMMUNITY COLLEGE DISTRICT Summary of Revenues, Expenditures and Changes in Net Position For Fiscal Years 2018-19 through 2022-23 (Audited)

	2018-19	2019-20	2020-21	2021-22	2022-23
<u>Operating Revenues</u>					
Tuition and Fees	\$67,526,682	\$62,903,712	\$59,939,956	\$52,540,741	\$52,506,392
Less: Scholarship discount and allowances	(36,426,422)	(36,345,845)	(36,218,423)	(29,369,103)	(27,961,710)
Net tuition and fees	31,100,260	26,557,867	23,721,533	23,171,638	24,544,682
Grants and Contracts, non-capital:					
Federal	100,698,507	118,689,435	149,558,959	95,667,668	89,943,302
State	72,625,678	74,775,947	78,099,554	79,064,049	99,992,143
Local	4,540,874	4,009,677	609,757	1,808,547	2,030,717
Net grants and contracts, noncapital	169,384,480	197,475,059	228,268,270	176,540,264	191,966,162
Auxiliary enterprise sales and charges	18,093,248	15,154,863	44,577	--	--
Other operating revenues	3,921,696	4,835,892	6,371,623	8,830,900	9,779,332
Total Operating Revenues	230,980,263	244,023,681	258,406,003	208,542,802	226,290,176
<u>Operating Expenses</u>					
Salaries	254,316,148	261,278,059	251,827,441	270,352,033	290,309,611
Employee benefits	131,015,160	121,911,708	137,831,983	69,635,110	97,774,871
Supplies, materials and other operating expenses and services	81,871,596	82,151,655	43,943,599	86,347,176	99,949,923
Student financial aid	104,531,276	123,449,422	132,816,296	133,770,555	154,102,217
Depreciation	29,283,171	28,964,115	27,540,369	26,326,182	26,770,081
Total Operating Expenses	601,017,351	617,754,959	593,959,688	586,431,056	668,906,703
Operating Loss	(370,037,088)	(373,731,278)	(335,553,685)	(377,888,254)	(442,616,527)
<u>Non-Operating Revenues (Expenses)</u>					
State apportionments and education protection act, non-capital	207,192,451	206,815,546	202,166,451	215,317,442	235,064,247
Local property taxes	91,097,559	96,600,814	102,063,348	108,906,190	118,051,466
Taxes levied for other specific purposes-Debt service	30,965,422	54,195,068	51,884,222	65,264,759	67,193,015
Federal and state financial aid grants	--	--	--	101,713,230	107,409,276
Lottery, state taxes and other revenues	47,878,379	41,925,744	30,600,817	15,358,251	16,996,501
Investment income (loss)	8,747,731	9,904,309	2,414,018	(1,587,468)	--
Interest expense and service charges on capital debt	(15,033,195)	(17,357,505)	(15,651,998)	(19,249,959)	(13,749,065)
Investment income	--	--	--	(413,070)	24,094,570
Transfer from agency fund	210	25,730	--	--	--
Investment income on capital asset-related debt	--	--	--	--	2,851,078
Other non-operating revenues - grants/gifts	372,850	240,660	1,345,634	743,925	1,462,348
Total Non-Operating Revenues (Expenses)	371,221,407	392,350,366	374,822,492	486,053,300	559,373,436
Income Before Other Revenues and Expenses	1,184,319	18,619,088	39,268,807	108,165,046	116,756,909
<u>Other Revenues and Expenses</u>					
State apportionments, capital	8,580,899	3,366,407	2,740,404	7,145,622	35,933,492
Loss on disposal of capital assets	--	--	(467,002)	(1,536,962)	(1,014)
Total Other Revenues and Expenses	8,580,899	3,366,407	2,273,402	5,608,660	35,932,478
Increase (decrease) in Net Position	9,765,218	21,985,495	41,542,209	113,773,706	152,689,387
Net Position, Beg. Of Year, as previously reported	306,414,276	316,179,494	338,164,989	382,157,304	495,931,010
Cumulative effect of change in account principles	--	--	2,450,105 ⁽¹⁾	--	--
Net Position - End of Year	\$316,179,494	\$338,164,989	\$382,157,304	\$495,931,010	\$648,620,397

Footnotes for table are on the next page:

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

Source: Los Rios Community College District Audit Reports.

[Remainder of Page Intentionally Left Blank]

District Budget

The District is required by provisions of the State Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The Board of Governors of the California Community Colleges imposes a uniform budgeting format for all California community college districts. Under current law, the District Board of Trustees approves a tentative budget by July 1 and an adopted budget by September 15 of each fiscal year. The presentation of the District's audits as summarized in the previous section is used only for District's external audit. The District manages its funds in a different format, including with respect to its budgets and unaudited actuals. The following table shows the District's adopted general fund budget for fiscal year 2023-24.

---Updated 23-24 financials and 24-25 Tentative Budget to come---

LOS RIOS COMMUNITY COLLEGE DISTRICT General Fund Budget and Fund Balances, Revenues and Expenditures For Fiscal Year 2023-24 and 2024-25

	2023-24	2024-25
Beginning Balance, July 1		
Uncommitted	\$61,526,602	
Committed	83,011,719	
Restricted	24,648,241	
Total Beginning Fund Balance	169,186,562	
Revenues:		
State Apportionment & Education Protection Account (EPA) Funds	217,357,577	
New Faculty Funding	3,590,239	
Basic Allocation Adjustment & COLA	30,632,031	
Continuing Total Computational Revenue Adjustment Growth	2,117,157	
	1,532,478	
Deficit (2%)	--	
SCFF Changes in FTES, Outcomes and Demographics	16,135,969	
Local Property Taxes	117,785,947	
Enrollment Fees, \$46/unit	17,130,604	
Total Basic Allocation, COLA & Growth	406,282,002	
Lottery Funds	7,975,355	
Other General Purpose	50,511,969	
Restricted/Special Programs Revenue	196,536,394	
Total Revenue	661,305,720	
Total Revenue and Beginning Fund Balance	830,492,282	
Expenditures/Appropriations:		
Academic Salaries	205,484,194	
Classified Salaries	175,263,405	
Employee Benefits	165,676,931	
Books, Supplies & Materials	61,879,600	
Other Operating Expenses	104,521,832	
Capital Outlay	10,021,832	
Interfund Transfers/Other Outgo	37,587,651	
Total Expenditures/Appropriations and Interfund Transfers	760,434,758	
Ending Fund Balance, June 30:		
Uncommitted	61,526,602	
Committed	5,461,719	
Restricted	3,069,203	
Total Ending Fund Balance	70,057,524	
Total Expenditures/Appropriations & Ending Fund Balance	\$830,492,282	

Source: Los Rios Community College District.

General Fund Reserves

The California Community College Chancellor's Office recommends that unrestricted reserves comprise a minimum of 16.7 percent (two months) of expenditures, and that community college districts adopt formal policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of total general fund operating expenditures. The District's current reserve policy requires: _____.

District Retirement Systems

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

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

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

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

Contribution rates for the past several years are summarized pursuant to the following table:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2018 through July 1, 2023

Effective Date	Employer Contribution Rate
July 1, 2018	16.28%
July 1, 2019	17.10
July 1, 2020	16.15
July 1, 2021	16.92
July 1, 2022	19.10
July 1, 2023	19.10

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate in fiscal year 2023-24 is 8.328%.

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

LOS RIOS COMMUNITY COLLEGE DISTRICT
Historical STRS Contributions

Fiscal Year	Contribution
2020-21	\$21,633,010
2021-22	21,864,051
2022-23	26,931,158
2023-24*	[to come]
2024-25*	[to come]

**Unaudited/Budgeted.*

Source: Los Rios Community College District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately \$85.6 billion, based on a market value of assets basis, as of June 30, 2023, which is the date of the last actuarial valuation.

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

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including

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

**EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2023-24⁽¹⁾**

Fiscal Year	Employer Contribution Rate⁽¹⁾
2019-20	19.721%
2020-21	20.700
2021-22	22.910
2022-23	25.370
2023-24	26.680

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

The District’s employer contributions to PERS for recent fiscal years are set forth in the following table.

**LOS RIOS COMMUNITY COLLEGE DISTRICT
Historical CalPERS Contributions**

Fiscal Year	Contribution
2020-21	\$16,896,695
2021-22	19,758,238
2022-23	22,696,192
2023-24*	[to come]
2024-25*	[to come]

*Unaudited/Budgeted.
Source: Los Rios Community College District.

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

California Public Employees’ Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (“**PEPRA**”), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public

retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

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

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

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

Additional Information. Additional information regarding the District's retirement programs is available in Note 12 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Purchaser for accuracy or completeness.*

Public Agency Retirement System. The District has also adopted the Public Agency Retirement System ("**PARS**") Section 457 FICA Alternative Retirement Plan. The Plan is covered under Internal Revenue Code, Section 457. Plan participants include all individuals who have worked for the District on or after July 1, 2008, provided that they are not covered by any other retirement program (e.g., PERS or STRS) through District employment. The plan requires a contribution of at least 7.5% of wages. The contribution is split evenly with the employees contributing 3.75% and the District contributing 3.75%. The plan results in savings for both

employees and the District. The District's contribution to the Plan for fiscal year ended June 30, 2021 was \$205,267. Accounts are established in the name of each participant. Contributions are allocated directly to employee accounts. Participant account balances are fully vested and non-forfeitable. Participant account balances will be paid in a single distribution or direct rollover to another eligible retirement plan designated by the participant upon retirement or other termination. PARS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PARS annual financial report may be obtained from PARS, 5141 California Avenue, Suite 150, Irvine, California 92617-3069.

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

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

As of the valuation date, June 30, 2021, the OPEB Plan had 1,062 retirees receiving benefits, 2,024 participating active employees and 99 retired employees entitled to but not receiving benefits. [\[\[\[UPDATE WITH NEW ACTUARIAL VALUATION\]\]\]](#)

Contribution Information. The District provides contributions on a pay-as-you-go basis and contributes to the OPEB Trust. The contribution requirements of the District are established and may be amended by the Board and by contractual agreement with employee groups. The District's OPEB Plan members are not required to contribute to the OPEB Plan. During the year ended June 30, 2023, the District contributed \$3,964,233 to the OPEB Trust of which \$3,818,314, was used for current benefit payments.

Actuarial Assumptions. The District's total OPEB asset was measured as of June 1, 2022 and was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: discount rate 5.00%, general inflation 2.50%, salary increases 3.00% (since benefits do not depend on salary, this is used only to allocate the costs of benefits between service years), long -term return on assets 5.00% (net of OPEB Plan investment expense; includes inflation), and healthcare cost trend rates 5.80% in 2023. Mortality for certificated and classified employees were based on a PERS 2021 Study and a STRS 2020 Study. The MacLeod Watts Scale 2022 is applied generationally for mortality improvement.

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

Changes in Net OPEB Asset of the District. The changes in net OPEB asset of the District as of June 30, 2022, are shown in the following table:

CHANGES IN NET OPEB ASSET
Los Rios Community College District
June 30, 2022 to June 30, 2023

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Net OPEB asset at June 30, 2022	\$142,858,037	\$162,252,418	\$(19,394,381)
Service Cost	4,837,054	--	4,837,054
Interest	7,286,908	--	7,286,908
Contributions - employer	--	4,326,584	(4,326,584)
Net investment income	--	(19,133,750)	(19,133,750)
<u>Benefit payments</u>	<u>(3,913,850)</u>	<u>(3,913,850)</u>	<u>--</u>
Net changes in net OPEB liability	8,210,112	18,721,016	26,931,128
Net OPEB asset at June 30, 2023	<u>\$151,068,149</u>	<u>\$143,531,402</u>	<u>\$7,536,747</u>

Source: Los Rios Community College District 2022-23 Audited Financial Statement.

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

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

Indebtedness of the District

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

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

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

Issue	Date of Issue	Maturity Date	Original Principal Amount	Principal Outstanding June 1, 2024
<u>Election of 2002</u>				
Series E	06/27/13	08/01/38	\$20,000,000.00	[[[to come]]]
Series F	02/08/18	08/01/23	27,500,000.00	
<u>Election of 2008</u>				
Series B	06/27/13	08/01/38	60,000,000.00	
Series C	02/08/18	08/01/32	65,000,000.00	
Series D	06/26/19	08/01/44	80,000,000.00	
Series E	07/01/21	08/01/35	130,000,000.00	
<u>Refundings</u>				
2012 Refunding	03/28/12	08/01/30	62,920,000.00	
2016 Refunding	04/21/16	08/01/26	39,315,000.00	
2017 Refunding	12/19/17	08/01/35	106,850,000.00	
2020 Refunding	06/11/20	08/01/27	10,945,000.00	
2021 Refunding	07/01/21	08/01/27	16,755,000.00	
2022 Refunding	06/28/24	08/01/30	31,590,000.00	
			Total Outstanding:	

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

State Lease Revenue Bonds. The State Public Works Board (the “Public Works Board”) has issued lease revenue bonds for the purpose of funding certain facilities, including facilities of the District. These bonds are special obligations of the Public Works Board payable from State general fund revenues appropriated to the Board of Governors of the California community colleges, which makes provision in the annual budget of the State for the servicing of such bonds. In the event that the State could not pay the semi-annual installment payment due with respect to such bonds, the District would be responsible for the payments attributable to the District facilities financed with these proceeds. The Public Works Board leases the facilities to the District, and at maturity, title will vest in the District. The following facility constructed under the provisions described above had minimum annual payments remaining at June 30, 2023, as follows:

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

Investment of District Funds

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

STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS

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

State Budgeting for Education Generally

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

The Budget Process

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

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

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

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

Available Public Resources

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

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to “Bond Finance” and sub-heading “-Public Finance Division”, includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.
- www.dof.ca.gov: The California Department of Finance’s (the “**DOF**”) internet home page, under the link to “California Budget”, includes the text of proposed and adopted State Budgets.
- www.lao.ca.gov: The LAO’s internet home page includes a link to “-The Budget” which includes analyses and commentary on fiscal outlooks.

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

The 2024-25 State Budget

[\[\[Summary in process/to come\]\]](#)

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2023-24 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the Owners of the Bonds to provide State Budget information to the District or

the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriters assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

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

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 (“**Proposition 13**”), which added Article XIII A to the State Constitution (“**Article XIII A**”). Article XIII A limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly

constructed, or a change in ownership have occurred after the 1975 assessment”. This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

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

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

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

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

Article XIII B of the California Constitution

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

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

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

Unitary Property

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

Articles XIII C and XIII D 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 XIII C and XIII D (respectively, "**Article XIII C**" and "**Article XIII D**"), 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 XIII C establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as

school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

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

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

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

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87,

and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

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

Proposition 111

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

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

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

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

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

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

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

Proposition 39

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

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements

are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

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

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

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "**Proposition 30**"), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all

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

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

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

California Senate Bill 222

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

the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 19

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

Future Initiatives

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

APPENDIX B
LOS RIOS COMMUNITY COLLEGE DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2022-23

APPENDIX C

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

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

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

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

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

El Dorado County. El Dorado County, located in east-central California, encompasses 1,805 square miles of rolling hills and mountainous terrain. El Dorado County's western boundary contains part of Folsom Lake, and the eastern boundary is the California-Nevada State line. El Dorado County is topographically divided into two zones. The northeast corner of El Dorado County is in the Lake Tahoe basin, while the remainder of El Dorado County is in the "western slope," the area west of Echo Summit. This landscape invites residents and tourists alike to enjoy outdoor recreation activities year-round. There are two municipalities within El Dorado County. The largest city in the County is South Lake Tahoe, with a 2024 population estimate of 20,790. The City of Placerville, the County seat, is located 45 miles northeast of Sacramento. El Dorado County is also included in the Sacramento-Roseville-Arden-Arcade MSA.

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

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

Population

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

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

Calendar Year	Sacramento County	El Dorado County	Yolo County	State of California
2020	1,585,055	191,185	216,403	39,538,223
2021	1,580,120	190,737	214,911	39,327,868
2022	1,572,254	189,294	220,176	39,114,785
2023	1,576,639	188,067	220,454	39,061,058
2024	1,578,938	188,583	221,666	39,128,162

Source: State Department of Finance estimates.

[Remainder of Page Intentionally Left Blank]

Employment and Industry

The following table provides estimates of the labor force, civilian employment and unemployment for the Sacramento-Roseville-Arden-Arcade MSA for the years 2019 through 2023. Sacramento County, along with Yolo County, Placer County, and El Dorado County, are part of the Sacramento-Arden Arcade-Roseville MSA.

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 4.5 percent in April 2024, down from a revised 4.9 percent in March 2024, and above the year-ago estimate of 3.7 percent. This compares with an unadjusted unemployment rate of 4.8 percent for California and 3.5 percent for the nation during the same period. The unemployment rate was 4.2 percent in El Dorado County, 3.9 percent in Placer County, 4.5 percent in Sacramento County, and 5.1 percent in Yolo County.

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

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

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

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

SACRAMENTO COUNTY MAJOR EMPLOYERS (As of May 2024)

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

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition.

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

**EL DORADO COUNTY
Major Employers
(As of May 2024)**

Employer	Location	Industry
Barton Health	South Lake Tahoe	Hospitals
Blue Shield of California	El Dorado Hills	Insurance
Broadridge Financial Solutions	El Dorado Hills	Business Services NEC
Camp Richardson Lake Tahoe	South Lake Tahoe	Resorts
CEMEX	El Dorado Hills	Construction Companies
Child Development Programs	Placerville	Youth Organizations & Centers
County of Eldorado	Placerville	County Government-General Offices
El Dorado County	Placerville	General Government Support
El Dorado County Child Protctn	Placerville	Government Offices-County
El Dorado County Sheriff	Placerville	Sheriff
El Dorado County Trnsprtn	Placerville	Government Offices-County
El Dorado Irrigation District	Placerville	Utilities
El Dorado Union High Sch Dist	Placerville	School Districts
Lake Tahoe Community College	South Lake Tahoe	Junior-Community College-Tech Institutes
Liberty Utilities Co	South Lake Tahoe	Utility Contractors
Marriott's Timber Lodge	South Lake Tahoe	Hotels & Motels
Marshall Home Care	Diamond Springs	Medical Centers
More	Placerville	Vocational Rehabilitation Services
Nugget Markets	El Dorado Hills	Grocers-Retail
Patra Corp	El Dorado Hills	Insurance
Safeway	South Lake Tahoe	Grocers-Retail
Sierra-At-Tahoe Resort	Twin Bridges	Skiing Centers & Resorts
South Lake Tahoe City Manager	South Lake Tahoe	City Government-Executive Offices
Spare Time Inc	El Dorado Hills	Health Clubs Studios & Gymnasiums
Zephyr Cove Resort	South Lake Tahoe	Marinas

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition.

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

**YOLO COUNTY
Major Employers
(As of May 2024)**

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

Source: California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition.

Effective Buying Income

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

The following table summarizes the total effective buying income for the Counties, the State, and the United States for the period 2020 through 2024.

SACRAMENTO, EL DORADO AND YOLO COUNTIES, STATE OF CALIFORNIA AND UNITED STATES Effective Buying Income 2020 through 2024

Year	Area	Total Effective Buying Income (000s' Omitted)	Median Household Effective Buying Income
2020	Sacramento County	\$42,705,779	\$59,288
	El Dorado County	7,131,224	70,899
	Yolo County	6,659,365	61,003
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Sacramento County	\$45,067,224	\$62,945
	El Dorado County	7,711,541	73,169
	Yolo County	6,592,331	60,602
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	Sacramento County	\$51,287,459	\$70,279
	El Dorado County	8,429,911	81,237
	Yolo County	7,492,552	69,975
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	Sacramento County	\$51,865,551	\$70,001
	El Dorado County	8,459,722	81,743
	Yolo County	7,738,133	71,568
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	Sacramento County	\$55,595,639	\$76,261
	El Dorado County	9,264,986	86,918
	Yolo County	8,323,259	73,555
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876

Source: Claritas, LLC.

Commercial Activity

Sacramento County. Total taxable sales during the first three quarters of calendar year 2023 in Sacramento County were reported to be \$26,508,013,015, a 1.92% decrease over the total taxable sales of \$27,027,542,513 reported during the first three quarters of calendar year 2022.

A summary of historic taxable sales within Sacramento County during the past five years in which data is available is shown in the following tables.

SACRAMENTO COUNTY Taxable Transactions (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2019	25,530	\$18,156,992	40,858	\$26,717,621
2020	28,055	18,288,243	45,361	26,837,392
2021	25,936	23,764,691	42,482	33,875,840
2022	26,589	24,679,703	44,158	36,511,260
2023	25,913	24,180,843	43,252	35,572,695

Source: State Department of Tax and Fee Administration.

El Dorado County. Total taxable sales during the first three quarters of calendar year 2023 in El Dorado County were reported to be \$2,407,669,992, a 4.45% decrease over the total taxable sales of \$2,519,911,341 reported during the first three quarters of calendar year 2022.

A summary of historic taxable sales within El Dorado County during the past five years for which data is available is shown in the following table.

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

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2019	4,183	\$1,876,936	6,917	\$2,544,004
2020	4,332	2,005,650	7,309	2,707,847
2021	3,797	2,272,978	6,547	3,120,528
2022	3,821	2,422,073	6,664	3,363,405
2023	3,561	2,320,841	6,354	3,262,104

Source: State Department of Tax and Fee Administration.

Yolo County. Total taxable sales during the first three quarters of calendar year 2023 in Yolo County were reported to be \$4,172,576,088, a 5.84% decrease from the total taxable sales of \$4,431,472,174 reported during the first three quarters of calendar year 2022.

A summary of historic taxable sales within Yolo County during the past five years for which data is available is shown in the following table.

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

<u>Year</u>	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2019	2,875	\$2,711,980	5,224	\$4,658,980
2020	3,073	2,830,637	5,654	4,649,603
2021	2,842	3,277,814	5,291	5,360,715
2022	2,898	3,397,326	5,453	5,875,138
2023	2,817	3,265,383	5,387	5,716,435

Source: State Department of Tax and Fee Administration.

Construction Activity

Sacramento County. The following table shows a five-year summary of the valuation of building permits issued in Sacramento County.

SACRAMENTO COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Permit Valuation</u>					
New Single-family	\$1,069,568.4	\$1,108,399.9	\$1,008,390.7	\$1,310,379.5	\$1,183,213.4
New Multi-family	158,638.0	265,188.8	467,418.7	323,462.6	413,368.8
Res. Alterations/Additions	<u>276,723.6</u>	<u>293,210.5</u>	<u>262,864.6</u>	<u>276,570.4</u>	<u>373,409.6</u>
Total Residential	1,504,930.0	1,666,799.2	1,738,674.0	1,910,412.5	1,969,991.8
New Commercial	303,805.9	666,664.3	449,494.3	197,946.8	268,582.0
New Industrial	14,151.1	31,851.4	31,155.0	83,171.4	38,163.3
New Other	128,325.7	105,555.1	75,356.7	104,932.9	155,071.3
Com. Alterations/Additions	<u>518,663.2</u>	<u>700,604.0</u>	<u>335,458.0</u>	<u>320,447.6</u>	<u>432,950.0</u>
Total Nonresidential	964,945.9	1,504,674.8	891,464.0	706,498.7	894,766.6
<u>New Dwelling Units</u>					
Single Family	3,589	3,981	3,588	4,205	3,832
Multiple Family	<u>1,272</u>	<u>2,008</u>	<u>2,868</u>	<u>2,266</u>	<u>3,419</u>
TOTAL	4,861	5,989	6,456	6,471	7,251

Source: Construction Industry Research Board, Building Permit Summary.

El Dorado County. The following table shows a five-year summary of the valuation of building permits issued in El Dorado County.

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

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$221,702.9	\$404,049.4	\$271,705.8	\$272,949.4	\$272,193.6
New Multi-family	2,458.5	14,250.0	2,621.6	0.0	34,910.0
Res. Alterations/Additions	<u>50,395.3</u>	<u>39,291.3</u>	<u>30,270.3</u>	<u>42,208.2</u>	<u>58,069.1</u>
Total Residential	274,556.7	457,590.7	304,597.7	315,157.6	365,172.7
New Commercial	37,141.5	42,622.0	16,917.1	37,727.2	33,737.9
New Industrial	1,024.1	0.0	0.0	0.0	0.0
New Other	48,961.4	35,357.3	28,555.7	44,229.5	46,142.7
Com. Alterations/Additions	<u>21,186.3</u>	<u>27,883.6</u>	<u>24,950.1</u>	<u>23,256.9</u>	<u>46,318.6</u>
Total Nonresidential	108,313.3	105,862.9	70,422.9	105,213.6	126,199.2
<u>New Dwelling Units</u>					
Single Family	613	595	649	697	626
Multiple Family	<u>6</u>	<u>18</u>	<u>7</u>	<u>0</u>	<u>83</u>
TOTAL	619	613	656	697	709

Source: Construction Industry Research Board, Building Permit Summary.

Yolo County. The following table shows a five-year summary of the valuation of building permits issued in Yolo County.

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

	2018	2019	2020	2021	2022
<u>Permit Valuation:</u>					
New Single-family	\$121,556.8	\$215,616.8	\$173,602.4	\$144,052.1	\$176,561.3
New Multi-family	67,228.8	66,106.0	59,212.2	82,352.8	110,906.0
Res. Alterations/Additions	<u>35,499.2</u>	<u>28,876.0</u>	<u>17,352.3</u>	<u>17,734.7</u>	<u>38,650.1</u>
Total Residential	224,284.8	310,598.8	250,166.9	244,139.6	326,117.4
New Commercial	87,193.3	107,134.4	106,474.3	90,531.5	70,942.8
New Industrial	10,324.1	4,106.3	1,288.0	7,000.0	0.0
New Other	20,434.9	14,368.4	14,676.5	20,617.0	25,057.7
Alterations/Additions	<u>72,482.8</u>	<u>104,473.7</u>	<u>42,076.4</u>	<u>30,779.8</u>	<u>48,303.0</u>
Total Nonresidential	190,435.1	230,082.8	164,515.2	148,928.3	144,303.5
<u>New Dwelling Units</u>					
Single Family	400	716	539	474	521
Multiple Family	<u>389</u>	<u>292</u>	<u>503</u>	<u>538</u>	<u>679</u>
TOTAL	789	1,008	1,042	1,012	1,200

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2024 Refunding General Obligation Bonds
Series A

\$ _____
LOS RIOS COMMUNITY COLLEGE DISTRICT
(Sacramento County, California)**
2024 Refunding General Obligation Bonds
Series B

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Los Rios Community College District (the “**District**”) in connection with the issuance and delivery of the captioned bonds (the “**Bonds**”). The captioned Bonds are being issued pursuant to resolutions adopted by the Board of Trustees of the District on July 10, 2024 (the “**Resolution**”). The County of Sacramento, Director of Finance, Sacramento, California, is initially acting as paying agent for the Bonds (the “**Paying Agent**”). The District hereby covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2025 with the report for the 2023-24 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

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

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

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

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

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

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

- (i) assessed valuation of taxable properties in the District for the most recently completed fiscal year, or if available, the current fiscal year;
- (ii) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year, or if available, the current fiscal year;
- (iii) if the District's general obligation bond levies are not included in the County of Sacramento's Teeter Plan, property tax collection delinquencies for the District for the most recently completed Fiscal Year only if available from the County at the time of filing the Annual Report; and
- (iv) the District's most recently adopted budget or interim report available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.
- (15) Incurrence of a financial obligation (defined in subparagraph (e) below) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy

Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (a)(16), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of

nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under

this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2024

LOS RIOS COMMUNITY COLLEGE DISTRICT

By: _____
Name: _____
Title: _____

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this APPENDIX, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

APPENDIX G

**SACRAMENTO COUNTY INVESTMENT POOL
INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT**