RIVERSIDE UNIFIED SCHOOL DISTRICT

RIVERSIDE COUNTY
RIVERSIDE, CALIFORNIA

FINANCIAL AND PERFORMANCE AUDIT
MEASURE O
GENERAL OBLIGATION BOND
BUILDING FUND

JUNE 30, 2020

JLG
Jeanette L. Garcia & Associates
CERTIFIED PUBLIC ACCOUNTANT

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
TABLE OF CONTENTS
JUNE 30, 2020

		Page
INTRODUCTORY SECTION		
TABLE OF CONTENTS		i
FINANCIAL SECTION		
INDEPENDENT AUDITOR'S REPORT		1
Balance Sheet	STATEMENT 1	3
Statement of Revenues, Expenditures, and Changes in Fund Balance	STATEMENT 2	4
NOTES TO FINANCIAL STATEMENTS		5
SUPPLEMENTARY INFORMATION SECTION		
SUPPLEMENTARY EXHIBITS		
Ballot Measure	EXHIBIT A	12
Ballot Measure - Full Text of Measure	EXHIBIT B	13
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		18
AUDITOR'S REPORT ON STATE COMPLIANCE		20

Financial Section

JLG

Jeanette L. Garcia & Associates
202 East Airport Drive Suite 160
San Bernardino, CA 92408
Phone: (909) 763-2100
Fax: (909) 763-2330
www.jlgcpa.net

Jeanette L. Garcia, CPA

Member:

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Governing Board and Citizens' Oversight Committee
Riverside Unified School District
Riverside, California

Report on the Financial Statements

We have audited the accompanying balance sheet of the Riverside Unified School District Measure O General Obligation Bond Building Fund, as of June 30, 2020, and the related statement of revenues, expenditures and changes in fund balance for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

As discussed in Note 1, the financial statements present only the individual Measure O General Obligation Bond Building Fund of the Riverside Unified School District and are not intended to present fairly the financial position of the Riverside Unified School District in conformity with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the transactions of Measure O General Obligation Bond Building Fund of the Riverside Unified School District, as of and for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the balance sheet of the Riverside Unified School District Measure O General Obligation Bond Building Fund, the related statement of revenues, expenditures and changes in fund balance, and the related notes to the financial statements. The supplementary exhibits are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary exhibits have not been subjected to the auditing procedures applied in the audit of the balance sheet of the Riverside Unified School District Measure O General Obligation Bond Building Fund, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the Riverside Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverside Unified School District's internal control over financial reporting and compliance.

Jeanette L Garcia + Associates

San Bernardino, California
February 10, 2021

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2020

ASSETS		
Cash (Note 2)		
Cash in County Treasury	$	195,375,519
Accounts Receivable (Note 3)		529,465
Due from Other Funds		147,757
TOTAL ASSETS	$	196,052,741
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	$	10,447,963
Due to Other Funds		285
Total Liabilities		10,448,248
Fund Balance		
Restricted		185,604,493
Total Fund Balance		185,604,493
TOTAL LIABILITIES AND FUND BALANCE	$	196,052,741

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

REVENUES	
Other Local Revenues	$ 2,343,472
EXPENDITURES	
Facilities Acquisition and Construction	63,068,341
Other Outgo	992,800
Total Expenditures	64,061,141
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(61,717,669)
OTHER FINANCING SOURCES (USES):	
Interfund Transfers In	104,201
Proceeds From Sale of Bonds	172,000,000
Total Other Financing Sources (uses)	172,104,201
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	110,386,532
FUND BALANCE - JULY 1, 2019	75,217,961
FUND BALANCE - JUNE 30, 2020	$ 185,604,493

The Notes to Financial Statements are an integral part of this statement.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Riverside Unified School District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and by the American Institute of Certified Public Accountants.

The following is a summary of the significant accounting policies:

Reporting Entity

On November 8, 2016, the District voters authorized issuance of $392,000,000 in General Obligation Bonds (Measure O) for the purpose of financing the modernization, construction, and acquisition of school facilities with the District. The measure was approved by more than 55% of the vote. In response, an advisory committee to the District's Governing Board and Superintendent, the Citizens' Bond Oversight Committee was established. The Committee's oversight goals include: informing the public on the expenditures of Bond proceeds, reviewing expenditure reports to ensure that Bond proceeds are expended only for purposes set forth in the ballot measure, and ensuring compliance with conditions of ballot measure.

In May 2017, the District issued 2016 Election, Series A General Obligation Bonds in the aggregate principal amount of $100,000,000.

In December 2019, the District issued 2016 Election, Series B General Obligation Bonds in the aggregate principal amount of $172,000,000.

The Bond proceeds are accounted for in the District's Building Fund, where they are expended for the approved projects. The statements presented are for the individual Measure O General Obligation Bond Building Fund and are not intendent to be a complete presentation of the District's financial position or results of operations.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The accompanying financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all government funds. By State law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and District Superintendent during the year to give consideration to unanticipated income and expenditures. The final revised budget that is presented in the financial statements consists of the original Board approved documents plus all revisions through June 30, 2020.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures (expenses) during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All outstanding encumbrances were liquidated at June 30.

Fund Balance Reserves and Designations

In the governmental funds Balance Sheet, fund balance amounts are reported within the fund balance categories below:

- Nonspendable – This is fund balance associated with revolving cash funds, inventories and prepaids.
- Restricted – This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – This includes amounts that can be used only for the specific purposes determined by a formal action of the Governing Board (the District's highest level of decision-making authority).
- Assigned – These funds are intended to be used by the government (District) for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – This is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

2. CASH

Cash at June 30, 2020, with regards to the Measure O consisted of the following:

Pooled Funds:	
Cash in County Treasury	$ 195,375,519

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Riverside County Treasury as part of the investment pool ($7,775,589,311 as of June 30, 2020). The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost which approximates market value. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The fair market value of this pool as of June 30, 2020, as provided by the pool sponsor, was $7,804,218,376. The County is required by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury and in Money Market Mutual Fund U.S. Treasury Fund obligations. The District maintains an investment with the Riverside County Investment Pool with a fair value of approximately $196,094,875 and an amortized book value of $195,375,519. The average weighted maturity for this pool is 410 days.

The District has a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2020, the District had no significant interest rate risk related to cash and investments held.

Credit Risk
Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a formal investment policy that limits its investment choices other than the limitations of State law.

Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not place limits on the amount it may invest in any one issuer. At June 30, 2020, the District had no concentration of credit risk.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020, with regards to the Measure O consisted of the following:

Accounts Receivable	
Local Sources	
Interest	$ 510,730
Other Local	18,735
Total Accounts Receivable	$ 529,465

4. BONDED DEBT

The outstanding General Obligation Bonded debt at June 30, 2020, with regards to the Measure O is the following:

Bond	Date of Bond	Year of Maturity	Rate of Interest	Amount of Original Issue	Bonds Outstanding July 1, 2019	Issued During Year	Matured During Year	Bonds Outstanding June 30, 2020
2016 Series A	5/4/2017	2018-2037	3.00-5.00%	100,000,000	86,445,000	-	14,100,000	72,345,000
2016 Series B	12/3/2019	2020-2040	3.00-4.00%	172,000,000	-	172,000,000	-	172,000,000
				$ 272,000,000	$ 86,445,000	$ 172,000,000	$ 14,100,000	$ 244,345,000

The annual requirement to amortize the 2016 Series A general obligation bonds payable, outstanding at June 30, 2020, is as follows:

Year Ending June 30	Principal	Interest	Total
2021	$ 3,000,000	$ 3,126,988	$ 6,126,988
2022	2,710,000	2,984,238	5,694,238
2023	3,075,000	2,839,613	5,914,613
2024	3,470,000	2,675,988	6,145,988
2025	3,890,000	2,491,988	6,381,988
2026-30	9,570,000	10,745,988	20,315,988
2031-35	13,285,000	8,666,844	21,951,844
2036-40	21,670,000	4,849,800	26,519,800
2041-42	11,675,000	476,300	12,151,300
Total	$ 72,345,000	$ 38,857,744	$ 111,202,744

The annual requirement to amortize the 2016 Series B general obligation bonds payable, outstanding at June 30, 2020, is as follows:

Year Ending June 30	Principal	Interest	Total
2021	$ 9,700,000	$ 6,868,838	$ 16,568,838
2022	10,445,000	5,750,500	16,195,500
2023	10,635,000	5,328,900	15,963,900
2024	485,000	5,106,500	5,591,500
2025	730,000	5,082,200	5,812,200
2026-30	16,475,000	23,937,300	40,412,300
2031-35	31,140,000	19,183,400	50,323,400
2036-40	49,220,000	11,986,700	61,206,700
2041-43	43,170,000	2,740,200	45,910,200
Total	$ 172,000,000	$ 85,984,538	$ 257,984,538

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The total annual requirement to amortize the general obligation bonds payable related to Measure O, outstanding at June 30, 2020, is as follows:

Year Ending June 30	Principal	Interest	Total
2021	$ 12,700,000	$ 9,995,825	$ 22,695,825
2022	13,155,000	8,734,738	21,889,738
2023	13,710,000	8,168,513	21,878,513
2024	3,955,000	7,782,488	11,737,488
2025	4,620,000	7,574,188	12,194,188
2026-30	26,045,000	34,683,288	60,728,288
2031-35	44,425,000	27,850,244	72,275,244
2036-40	70,890,000	16,836,500	87,726,500
2041-43	54,845,000	3,216,500	58,061,500
Total	$ 244,345,000	$ 124,842,282	$ 369,187,282

5. COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to unfinished capital projects totaling $399,992,563:

Capital Projects	Remaining Construction Commitments	Capital Projects	Remaining Construction Commitments
Harrison Elementary School	$ 2,540,909	Gage Middle School	$ 3,345,261
Highgrove Elementary School	2,351,169	Franklin Elementary School	3,498,475
Jefferson Elementary School	3,581,774	Liberty Elementary School	2,948,276
Madison Elementary School	8,789,961	Mt. View Elementary School	3,953,645
Sierra Middle School	1,478,176	Pachappa Elementary School	3,787,296
Alcott Elementary School	18,446,567	Woodcrest Elementary School	1,310,739
Jackson Elementary School	16,790,353	Central Middle School	4,556,053
Monroe Elementary School	23,796,192	North High School	22,770,322
Poly High School	18,188,623	Castle View Elementary School	995,713
Sunshine Early Childhood Center	3,250,132	Emerson Elementary School	3,172,210
Adams Elementary School	11,269,063	STEM Academy	1,851,245
Fremont Elementary School	18,842,583	Ramona High School	10,152,512
Longfellow Elementary School	23,055,557	Lincoln Continuation High School	3,226,210
Magnolia Elementary School	10,445,442	King High School	13,646,978
University Middle School	9,112,311	Rivera Elementary School	167,486
Arlington High School	24,919,607	Taft Elementary School	3,078,211
STEM High	48,161,691	Earhart Middle School	5,174,515
King High School Parking Lot	4,373,357	Summit View/Independent Study	3,928,177
Spring Street Elementary	6,499,151	Project Team/Riverside Adult School	1,475,998
Casa Blanca	18,622,029	Hawthorne Elementary School	1,271,092
Eastside	601,751	Kennedy Elementary School	1,619,870
Bryant Elementary School	3,238,116	Lake Mathews Elementary School	1,423,717
Highland Elementary School	9,107,491	Twain Elementary School	1,461,087
Victoria Elementary School	4,588,607	Beatty Elementary School	853,145
Washington Elementary School	2,867,896	Miller Middle School	1,547,692
Chemawa Middle School	3,858,130		

Supplementary Information

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

EXHIBIT A

SUMMARY OF BALLOT MEASURE

"To repair and upgrade Riverside schools, including deteriorating roofs, plumbing and electrical systems, improve student safety, security, and seismic safety, upgrade classrooms, science labs, career-training facilities, computer systems and instructional technology to support student achievement in math, science, engineering and skilled trades, and construct, acquire, repair classrooms, sites, facilities and equipment, shall Riverside Unified School District issue $392 million in bonds at legal rates, with citizen oversight, no money for administrator salaries, all money staying local?"

Bonds: Yes Bonds: No

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

EXHIBIT B

FULL TEXT BALLOT PROPOSITION
OF THE RIVERSIDE UNIFIED SCHOOL DISTRICT
BOND MEASURE ELECTION NOVEMBER 8, 2016

The following is the full proposition presented to the voters by the Riverside Unified School District.

"To repair and upgrade Riverside schools, including deteriorating roofs, plumbing and electrical systems, improve student safety, security, and seismic safety, upgrade classrooms, science labs, career-training facilities, computer systems and instructional technology to support student achievement in math, science, engineering and skilled trades, and construct, acquire, repair classrooms, sites, facilities and equipment, shall Riverside Unified School District issue $392 million in bonds at legal rates, with citizen oversight, no money for administrator salaries, all money staying local?"

PROJECT LIST

The Board of Education of the Riverside Unified School District is committed to maintaining the quality of education in local schools with safe, secure, upgraded classrooms and labs for career and technology education to keep pace with 21st century technologies and learning standards. To that end, the Board evaluated the District's urgent and critical facility needs, including safety issues, class size, computer and information technology, enrollment trends and prepared a Facilities Master Plan (approved by the Board on February 1, 2016) which is incorporated herein in its entirety, in developing the scope of projects to be funded. The District conducted a facilities evaluation and received public input in developing this Project List. Teachers, staff, community members and the Board have prioritized the key health and safety needs so that the most critical facility needs are addressed. **The Board concluded that protecting the quality of our schools, the quality of life in our community, and the value of our homes is a wise investment.** Therefore, in approving this Project List, the **Board of Education determines that the District must:**

(i) Upgrade or replace aging school infrastructure, classrooms and school buildings; and

(ii) Modernize school facilities to improve access for students with disabilities; and

(iii) Retrofit older buildings so they are earthquake safe; and

(iv) Provide classroom and labs for career and technical education classes so students are prepared for college and good-paying jobs in fields like health science, engineering, technology, robotics, and the skilled trades; and

(v) Update instructional technology in the classroom for improved student learning in core subjects like reading, math, science and technology; and

(vi) Adhere to specific fiscal accountability safeguards such as:

(a) All expenditures must be subject to annual independent financial audits.

(b) No funds can be used for administrators' salaries and pensions.

(c) An independent citizens' oversight committee must be appointed to ensure that all funds are spent only as authorized.

The Project List includes the following types of upgrades and improvements at District schools and sites:

IMPROVING STUDENT LEARNING: Basic School Repair and Upgrade Projects

Goals and Purposes: Upgraded classrooms will ensure that students who plan to go to college are prepared to succeed, and those that don't plan to go to college receive career training they need to compete for good paying jobs in fields like health sciences, engineering, technology, robotics and skilled trades.

Since many Riverside schools were built more than 40-years ago, they need basic repairs, including roofs, plumbing and electrical systems, and other projects, including:

- Upgrade and construct classrooms, science labs, career-training facilities and computer systems to keep pace with technology.
- **Repair or replace aging roofs, floors, plumbing and electrical systems** where needed.
- Repair or replace outdated classrooms and school buildings with safe, modern facilities.
- Partner with U.C. Riverside and Riverside City College to build a Center for the Study of Advanced Science, Technology, Engineering and Math, that will give local high school students access to college-level instruction.
- Expand and upgrade existing libraries to improve students' research skills and preparation for college.
- Build new classrooms and facilities to relieve overcrowding.
- Upgrade or construct facilities for visual and performing arts.

IMPROVING SCHOOL SAFETY: Safety, Security and Energy Efficiency Projects

Goal and Purpose: WHETHER OR NOT YOU HAVE SCHOOL-AGE CHILDREN, PROTECTING THE QUALITY OF OUR SCHOOLS, THE QUALITY OF LIFE IN OUR COMMUNITY, AND THE VALUE OF OUR HOMES IS A WISE INVESTMENT. This measure will upgrade security lighting, fencing, smoke detectors, fire alarms, sprinklers, and campus security systems for improved student safety. Schools will benefit from a variety of safety and efficiency projects, such as:

Student Safety and Security

- Replace aging, outdated portables with modern classrooms that meet 21st century health, safety and academic standards.
- Upgrade fire alarm systems to automatic systems, repair fire safety equipment, add smoke detectors and fire safety doors to make students safe in the event of an emergency.

- Improve older schools so that they meet the same safety and academic standards as newer schools.
- Retrofit older school buildings so they are earthquake safe.
- **Modernize school facilities to improve access for students with disabilities.**
- **Improve student safety and campus security systems, including security, lighting, and security cameras and classroom door locks.**
- Upgrade emergency communication systems to improve student safety.

Energy Efficiency – Returning Savings to the Classroom

- Make energy and water efficiency improvements that will free-up money to retain highly qualified teachers and improve the quality of classroom instruction.

21st CENTURY LEARNING FOR 21st CENTURY CAREERS: District-Wide Instructional Technology Projects

Goal and Purpose: If we want our kids to succeed in college and careers, they must be skilled in the use of today's technologies and have a solid background in math, science, engineering and technology. This measure with update instructional technology in the classroom for improved student learning in core subjects like reading, math, science and technology.

- Update instructional technology in the classroom for improved student learning in core subjects like reading, science, technology, engineering and math (STEM).
- Upgrade classrooms and labs for career and technical education classes and computer systems to keep pace with technology.
- Upgrade computer systems to keep pace with technology; upgrade and replace computers, classroom and library technology and teaching equipment to enhance instruction.

***

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the Project List; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovate student and staff restrooms; repair and replace heating and ventilation systems; upgrade of facilities for energy efficiencies; acquire vehicles; repair and replace worn-out and deteriorated roofs, windows, walls, doors and drinking fountains; construct District office and professional

development center; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade or construct support facilities, including administrative, physical education (including upgrading or adding gyms, stadiums and locker rooms) and performing arts buildings and maintenance facilities and yards; repair and replace fire alarms, emergency communications and security systems; resurface or replace hard courts, turf and irrigation systems and campus landscaping; expand parking and drop-off areas; acquire land; construct new schools; upgrade interior and exterior painting and floor covering; demolition; upgrade pools; upgrade central kitchen and school cafeterias; construct various forms of storage and support spaces and classrooms; repair, upgrade and install interior and exterior lighting systems; improve playgrounds, athletic fields and play apparatus; replace outdated security fences and security systems (including access control systems), provide indoor space for assemblies or for rainy day lunch; upgrade music labs, media centers, adult education facilities. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems, refresh classroom technology and other miscellaneous equipment. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District, such as gyms, fields and performing arts facilities, may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF EDUCATION WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS AND FOR NO OTHER PURPOSE. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O
GENERAL OBLIGATION BOND BUILDING FUND
BALLOT MEASURE

NO ADMINISTRATOR SALARIES: PROCEEDS FROM THE SALE OF THE BONDS AUTHORIZED BY THIS PROPOSITION SHALL BE USED ONLY FOR THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR REPLACEMENT OF SCHOOL FACILITIES, INCLUDING THE FURNISHING AND EQUIPPING OF SCHOOL FACILITIES, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.

JLG

Jeanette L. Garcia & Associates
202 East Airport Drive, Suite 160
San Bernardino, CA 92408
Phone: (909) 763-2100
Fax: (909) 763-2330
www.jlgcpa.net

Jeanette L. Garcia, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Governing Board and Citizens' Oversight Committee
Riverside Unified School District
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Riverside Unified School District (the District) for Measure O General Obligation Bond Building Fund, as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2021.

Internal Control Over Financial Reporting

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

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

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

Member:

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

Compliance and Other Matters

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

Purpose of this Report

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

Jeanette L Garcia + Associates

San Bernardino, California
February 10, 2021

JLG

Jeanette L. Garcia & Associates
202 East Airport Drive, Suite 160
San Bernardino, CA 92408
Phone: (909) 763-2100
Fax: (909) 763-2330
www.jlgcpa.net

Jeanette L. Garcia, CPA

AUDITOR'S REPORT ON STATE COMPLIANCE

To the Governing Board and Citizens' Oversight Committee
Riverside Unified School District
Riverside, California

We have audited the accompanying financial statements of the Riverside Unified School District (the District) for Measure O General Obligation Bond Building Fund, as of and for the year ended June 30, 2020. Our audit was made in accordance with auditing standards generally accepted in the United States of America; and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with specified requirements.

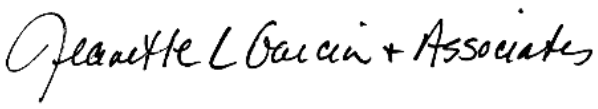
The District's management is responsible for the District's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following requirements:

Proceeds from the sale of the bonds are used only to repair and upgrade Riverside schools, including deteriorating roofs, plumbing and electrical systems, improve student safety, security, and seismic safety, upgrade classrooms, science labs, career-training facilities, computer systems and instructional technology to support student achievement in math, science, engineering and skilled trades, and construct, acquire, repair classrooms, sites, facilities and equipment, with no money for administrator salaries.

Bond monies are used only on projects which were voter approved.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2020.

This report is intended solely for the information and use of Riverside Unified School District's management, Governing Board and the Citizens' Oversight Committee; however, this report is a matter of public record.



San Bernardino, California
February 10, 2021

Member:

American Institute of Certified Public Accountants

California Society of Certified Public Accountants