

RIVERSIDE UNIFIED SCHOOL DISTRICT

RIVERSIDE COUNTY  
RIVERSIDE, CALIFORNIA

FINANCIAL AND PERFORMANCE AUDIT  
MEASURE O  
GENERAL OBLIGATION BOND  
BUILDING FUND

JUNE 30, 2021

**JLG**

Jeanette L. Garcia & Associates  
CERTIFIED PUBLIC ACCOUNTANT

RIVERSIDE UNIFIED SCHOOL DISTRICT  
 MEASURE O  
 GENERAL OBLIGATION BOND BUILDING FUND  
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## Financial Section



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## INDEPENDENT AUDITOR’S REPORT

Jeanette L. Garcia,  
CPA

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, 2021, and the related statement of revenues, expenditures and changes in fund balance for the year ended June 30, 2021, 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.

Member:

American  
Institute of  
Certified Public  
Accountants

California  
Society of  
Certified Public  
Accountants

***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, 2021, 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 4, 2022, 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.



San Bernardino, California  
February 4, 2022

RIVERSIDE UNIFIED SCHOOL DISTRICT  
 MEASURE O  
 GENERAL OBLIGATION BOND BUILDING FUND  
BALANCE SHEET  
 JUNE 30, 2021

ASSETS

Cash (Note 2)	
Cash in County Treasury	\$ 118,782,535
Cash on Hand and in Banks	71
Accounts Receivable (Note 3)	99,449
Due from Other Funds	205,520
	<hr/>
TOTAL ASSETS	\$ 119,087,575
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$ 6,041,770
	<hr/>
Fund Balance	
Restricted	113,022,053
Assigned	23,752
	<hr/>
Total Fund Balance	113,045,805
	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 119,087,575
	<hr/> <hr/>

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, 2021

<u>REVENUES</u>	
Other Local Revenues	\$ 706,717
<u>EXPENDITURES</u>	
Facilities Acquisition and Construction	73,472,010
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(72,765,293)
OTHER FINANCING SOURCES (USES):	
Interfund Transfers In	206,605
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(72,558,688)
<u>FUND BALANCE</u> - JULY 1, 2020	185,604,493
<u>FUND BALANCE</u> - JUNE 30, 2021	\$ 113,045,805

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, 2021

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 intended 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, 2021

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, 2021.

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, 2021

2. CASH

Cash at June 30, 2021, with regards to the Measure O consisted of the following:

Pooled Funds:	
Cash in County Treasury	\$ 118,782,535
Cash on Hand and in Banks	71
Total	\$ 118,782,606

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 (\$9,503,657,509 as of June 30, 2021). 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, 2021, as provided by the pool sponsor, was \$ 9,505,561,665. 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 \$118,782,535 and an amortized book value of \$118,758,783. The average weighted maturity for this pool is 421 days.

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.

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.

RIVERSIDE UNIFIED SCHOOL DISTRICT  
 MEASURE O  
 GENERAL OBLIGATION BOND BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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, 2021, with regards to the Measure O consisted of the following:

Accounts Receivable	
Local Sources	
Interest	<u>\$ 99,449</u>

4. BONDED DEBT

The outstanding General Obligation Bonded debt at June 30, 2021, 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, 2020	Issued During Year	Matured During Year	Bonds Outstanding June 30, 2021
2016 Series A	5/4/2017	2018-2037	3.00-5.00%	100,000,000	72,345,000	-	3,000,000	69,345,000
2016 Series B	12/3/2019	2020-2040	3.00-4.00%	172,000,000	172,000,000	-	9,700,000	162,300,000
				<u>\$ 272,000,000</u>	<u>\$ 244,345,000</u>	<u>\$ -</u>	<u>\$ 12,700,000</u>	<u>\$ 231,645,000</u>

The annual requirement to amortize the 2016 Series A general obligation bonds payable, outstanding at June 30, 2021, is as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 2,710,000	\$ 2,984,238	\$ 5,694,238
2023	3,075,000	2,839,612	5,914,612
2024	3,470,000	2,675,988	6,145,988
2025	3,890,000	2,491,987	6,381,987
2026	2,095,000	2,342,362	4,437,362
2027-31	11,995,000	12,167,169	24,162,169
2031-36	12,300,000	6,266,325	18,566,325
2037-41	23,740,000	3,841,675	27,581,675
2042	6,070,000	121,400	6,191,400
Total	<u>\$ 69,345,000</u>	<u>\$ 35,730,756</u>	<u>\$ 105,075,756</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT  
 MEASURE O  
 GENERAL OBLIGATION BOND BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

The annual requirement to amortize the 2016 Series B general obligation bonds payable, outstanding at June 30, 2021, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,110,000	5,025,400	7,135,400
2027-31	24,935,000	27,317,900	52,252,900
2032-36	28,850,000	13,774,800	42,624,800
2037-41	53,260,000	10,408,100	63,668,100
2042-43	30,850,000	1,321,400	32,171,400
Total	<u>\$ 162,300,000</u>	<u>\$ 79,115,700</u>	<u>\$ 241,415,700</u>

The total annual requirement to amortize the general obligation bonds payable related to Measure O, outstanding at June 30, 2021, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 13,155,000	\$ 8,734,738	\$ 21,889,738
2023	13,710,000	8,168,512	21,878,512
2024	3,955,000	7,782,488	11,737,488
2025	4,620,000	7,574,187	12,194,187
2026	4,205,000	7,367,762	11,572,762
2027-31	36,930,000	39,485,069	76,415,069
2032-36	41,150,000	20,041,125	61,191,125
2037-41	77,000,000	14,249,775	91,249,775
2042-43	36,920,000	1,442,800	38,362,800
Total	<u>\$ 231,645,000</u>	<u>\$ 114,846,456</u>	<u>\$ 346,491,456</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT  
 MEASURE O  
 GENERAL OBLIGATION BOND BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

5. COMMITMENTS AND CONTINGENCIES

Construction Commitments<sup>1</sup>

As of June 30, 2021, the District had the following commitments with respect to unfinished capital projects totaling \$224,435,299:

<u>Group</u>	<u>Description</u>	<u>Measure O Commitments as of June 30, 2021<sup>2</sup></u>
A	Harrison Elementary	\$1,412,352
A	Highgrove Elementary	446,369
A	Jefferson Elementary	328,957
A	Madison Elementary	2,831,954
A	Sierra Middle	1,385,546
B	Alcott Elementary	14,940,111
B	Jackson Elementary	4,921,232
B	Monroe Elementary	17,428,109
B	Poly High	5,363,147
B	Sunshine Early Childhood Center	544,475
C	Adams Elementary	3,719,999
C	Arlington High	14,971,744
C	Fremont Elementary	15,409,886
C	Longfellow Elementary	20,085,639
C	Magnolia Elementary	2,740,932
C	University Middle	7,086,333
E	North High	26,062,742
NS <sup>3</sup>	Casa Blanca Elementary	37,078,971
NS <sup>3</sup>	Eastside Elementary	8,241,942
NS <sup>3</sup>	Highgrove II Elementary	37,409,964
NS <sup>3</sup>	STEM Education Center	2,024,895

<sup>1</sup> Capital Projects are multi-funded. Current Commitments in Note 5 reflect only the Measure O funding for a project.

<sup>2</sup> These project budgets may have been updated by Board action subsequent to June 30, 2021.

<sup>3</sup> New School.

## Supplementary Information

RIVERSIDE UNIFIED SCHOOL DISTRICT  
MEASURE O  
GENERAL OBLIGATION BOND BUILDING FUND

BOARD OF EDUCATION

MEMBER	OFFICE	TERM EXPIRES
Tom Hunt	President	December 2024
Brent Lee	Vice President	December 2022
Dr. Angelo Farooq	Clerk	December 2024
Dale Kinnear	Member	December 2024
Kathy Y. Allavie	Member	December 2022

ADMINISTRATION

David Hansen, Ed.D	Superintendent
Renee Hill	Chief Academic Officer
Pamela Lauzon	Interim Chief Business Officer and Governmental Relations
Kyley Ybarra	Assistant Superintendent, Personnel Leadership and Development
Dr. Ryan Lewis	Assistant Superintendent, Curriculum and Instruction, K-12
Sergio San Martin	Assistant Superintendent, Operations
Timothy Walker	Assistant Superintendent, Pupil Services, SELPA, Special Education
Dr. Jacqueline Perez	Assistant Superintendent, Equity, Access & Community Engagement

ORGANIZATION

Riverside Unified School District is governed by a five-member, elected, Board of Education. The District encompasses an area of about 92 square miles located in the northwestern portion of Riverside. The District encompasses a major portion of the City of Riverside. The District was established in 1963 through the unification of the Riverside City School District and the Riverside City High School District. The District operates twenty-nine elementary schools, seven middle schools, five high schools, and nine specialty schools consisting of one adult school, one alternative school of choice, two continuation high schools, one STEM academy, one virtual school, one opportunity school, one special education school and one preschool. During the fiscal year 2020-21, there were no changes to the District's boundaries.

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 21<sup>st</sup> 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.**

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

- (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 21<sup>st</sup> 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.

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

- 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.

**21<sup>st</sup> CENTURY LEARNING FOR 21<sup>st</sup> 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.

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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 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

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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.**

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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.



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, 2021, and the related notes to the financial statements, and have issued our report thereon dated February 4, 2022.

**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.

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### **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.

A handwritten signature in black ink that reads "Jeanette L. Garcia + Associates". The signature is written in a cursive, flowing style.

San Bernardino, California  
February 4, 2022



Jeanette L. Garcia & Associates

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www.jlgcpa.net

Jeanette L. Garcia,  
CPA

INDEPENDENT AUDITOR'S REPORT ON BOND PERFORMANCE

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, 2021. Financial and performance audits are required for school facility projects by subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

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. 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, 2021.

The purpose of 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.

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San Bernardino, California  
February 4, 2022

## Findings and Recommendations

RIVERSIDE UNIFIED SCHOOL DISTRICT  
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 GENERAL OBLIGATION BOND BUILDING FUND  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued on whether the financial statements audit were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No  
 Significant deficiencies identified? \_\_\_\_\_ Yes    ✓ None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes    ✓ No

Bond Performance Audit

Internal control over state programs:

Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No  
 Significant deficiencies identified? \_\_\_\_\_ Yes    ✓ None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes    ✓ No

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

RIVERSIDE UNIFIED SCHOOL DISTRICT  
MEASURE O  
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SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Section II – Financial Statement Findings**

None Reported.

**Section III – Bond Performance Findings and Questioned Costs**

None Reported.

RIVERSIDE UNIFIED SCHOOL DISTRICT  
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STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

There were no findings and recommendations for the fiscal year ended June 30, 2020.