RIVERSIDE UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2025

NIGRO & NIGRO PC

RIVERSIDE UNIFIED SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2025
Table of Contents

FINANCIAL SECTION

Page

Independent Auditors' Report 1
Management's Discussion and Analysis 4
Basic Financial Statements:
District-wide Financial Statements:
Statement of Net Position 12
Statement of Activities 13
Governmental Funds Financial Statements:
Balance Sheet 14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 15
Statement of Revenues, Expenditures, and Changes in Fund Balances 16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 17
Proprietary Funds Financial Statements:
Statement of Net Position 18
Statement of Revenues, Expenses, and Changes in Net Position 19
Statement of Cash Flows 20
Fiduciary Funds Financial Statements:
Statement of Fiduciary Net Position 21
Statement of Changes in Fiduciary Net Position 22
Notes to Financial Statements 23

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund 62
Schedule of Proportionate Share of the Net Pension Liability-CalSTRS 63
Schedule of Proportionate Share of the Net Pension Liability-CalPERS 64
Schedule of Pension Contributions-CalSTRS 65
Schedule of Pension Contributions-CalPERS 66
Schedule of Changes in the District's Total OPEB Liability and Related Ratios 67
Schedule of OPEB Contributions 68
Schedule of the District's Proportionate Share of the Net OPEB Liability-MPP Program 69
Notes to the Required Supplementary Information 70

SUPPLEMENTARY INFORMATION

Schedule of Average Daily Attendance (ADA) 72
Schedule of Instructional Time 73
Schedule of Financial Trends and Analysis 74
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements 75
Schedule of Charter Schools 76
Schedule of Expenditures of Federal Awards 77
Note to the Supplementary Information 78

RIVERSIDE UNIFIED SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2025
Table of Contents

OTHER INFORMATION

Page

Local Educational Agency Organization Structure 79

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' 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 80
Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance 82
Independent Auditors' Report on State Compliance and on Internal Control Over Compliance 85

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results 89
Financial Statement Findings 90
Federal Award Findings and Questioned Costs 91
State Award Findings and Questioned Costs 93
Summary Schedule of Prior Audit Findings 94

Financial Section

(This page intentionally left blank)

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Education
Riverside Unified School District
Riverside, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Unified School District, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Unified School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Elizabeth Nigro, CPA | Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • Licensed by the California Board of Accountancy

Changes in Accounting Principle
As discussed in Note 1 to the financial statements, the District has implemented the provisions of GASB Statement No. 101, *Compensated Absences.* Accordingly, prior year liabilities on the Statement of Net Position were restated to adopt this standard. Our opinion is not modified with respect to this matter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of OPEB contributions, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The Schedule of Charter Schools has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the LEA Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued our report dated December 4, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro & Nigro, PC

Murrieta, California
December 4, 2025

This discussion and analysis of Riverside Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by $119.7 million, or 34.9%.
- Governmental expenses were about $752.5 million. Revenues were about $872.2 million.
- The District acquired over $123.8 million in new capital assets during the year.
- Governmental funds decreased by $41.1 million, or 6.7%.
- Reserves for the General Fund increased by $1.9 million or 6.6%. Revenues and other sources were $772.8 million, and expenditures and other financing uses were $768.8 million.

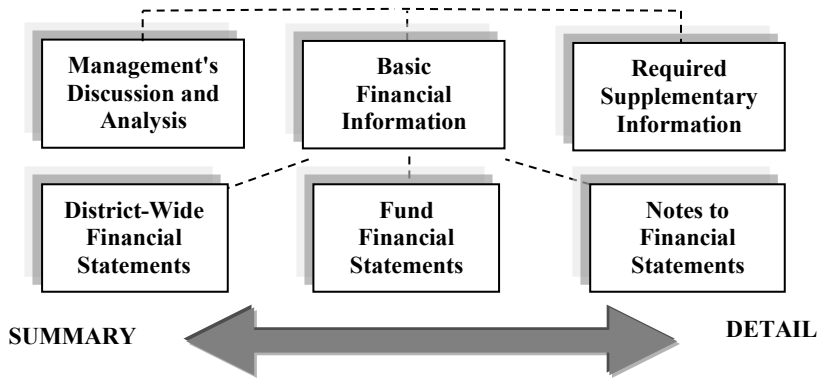
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial* statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
  - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the *proprietary funds* statements.
  - *Fiduciary funds* statement provides information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Riverside Unified School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements
The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements
The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has three kinds of funds:

1) ***Governmental funds*** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

2) ***Proprietary funds*** – When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the District-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured programs for workers' compensation claims, health and welfare benefits, and property and liability claims.

3) ***Fiduciary funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's fiduciary funds include CFD custodial funds, OPEB Trust and Foundation Trust Funds. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2025, than it was the year before – increasing 34.9% to $462.3 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2025	2024*	Net Change
Assets			
Current assets	$ 733,654,762	$ 720,664,351	$ 12,990,411
Capital assets	691,371,752	583,686,779	107,684,973
Total Assets	1,425,026,514	1,304,351,130	120,675,384
Total Deferred Outflows of Resources	226,323,227	237,033,030	(10,709,803)
Liabilities			
Current liabilities	132,212,778	83,852,205	48,360,573
Long-term liabilities	971,887,897	1,041,947,003	(70,059,106)
Total Liabilities	1,104,100,675	1,125,799,208	(21,698,533)
Total Deferred Inflows of Resources	84,935,112	72,974,804	11,960,308
Net Position			
Net investment in capital assets	376,195,447	302,205,464	73,989,983
Restricted	289,377,872	276,400,551	12,977,321
Unrestricted	(203,259,365)	(235,995,867)	32,736,502
Total Net Position	$ 462,313,954	$ 342,610,148	$ 119,703,806

* *As restated*

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Changes in net position, governmental activities. The District's total revenues decreased 2.2% to $872.2 million (See Table A-2). The decrease is due primarily to reduced federal and state operating grants.

The total cost of all programs and services increased 1.9% to $752.5 million. The District's expenses are predominantly related to educating and caring for students, 81.3%. The purely administrative activities of the District accounted for just 4.6% of total costs. A significant contributor to the increase in costs was increased salaries, benefits, and pension costs.

Table A-2: Statement of Activities

	Governmental Activities		
	2025	**2024**	**Net Change**
Revenues			
Program Revenues:			
Charges for services	$ 7,421,782	$ 4,371,325	$ 3,050,457
Operating grants and contributions	196,511,231	214,959,533	(18,448,302)
General Revenues:			
Property taxes	191,904,593	188,097,674	3,806,919
Federal and state aid not restricted	409,085,963	420,437,006	(11,351,043)
Other general revenues	67,264,104	64,081,438	3,182,666
Total Revenues	872,187,673	891,946,976	(19,759,303)
Expenses			
Instruction-related	501,937,109	491,004,232	10,932,877
Pupil services	110,190,115	104,531,320	5,658,795
Administration	34,239,645	38,197,639	(3,957,994)
Plant services	68,962,348	73,509,106	(4,546,758)
All other activities	37,154,650	31,052,396	6,102,254
Total Expenses	752,483,867	738,294,693	14,189,174
Increase (decrease) in net position	$ 119,703,806	$ 153,652,283	$ (33,948,477)
Total Net Position	$ 462,313,954	$ 342,610,148	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $569.0 million, which is below last year's ending fund balance of $610.0 million. The primary cause of the decreased fund balance is significant capital outlay spending from Measure "O" bond funds.

Table A-3: The District's Fund Balances

	Fund Balances				
Fund	July 1, 2024	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2025
General Fund	$ 369,134,617	$ 771,432,011	$ 768,819,611	$ 1,381,454	$ 373,128,471
Student Activities Fund	2,264,495	3,353,993	3,214,700	-	2,403,788
Adult Education Fund	777,970	4,485,250	4,636,864	-	626,356
Child Development Fund	1,504,947	6,363,994	5,620,555	-	2,248,386
Cafeteria Fund	38,844,707	41,885,352	37,149,480	(1,381,454)	42,199,125
Building Fund	72,238,015	3,100,370	58,439,380	-	16,899,005
Capital Facilities Fund	6,999,467	4,390,970	3,803,715	(1,544,870)	6,041,852
Special Reserve Fund (Capital Outlay)	49,493,595	26,868,129	25,395,254	-	50,966,470
Capital Projects Fund for Blended Component Units	11,973,805	1,872,367	10,618,079	11,870,834	15,098,927
Bond Interest and Redemption Fund	56,060,989	34,795,137	32,285,616	-	58,570,510
Debt Service Fund	750,151	44,611	1,562,133	1,544,870	777,499
Totals	$ 610,042,758	$ 898,592,184	$ 951,545,387	$ 11,870,834	$ 568,960,389

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by $76.6 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased $47.6 million to reflect revised cost estimates.
- Other non-personnel expenses – increased $19.4 million to revise operational cost estimates.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about $24.7 million, the actual results for the year show that revenues exceeded expenditures by roughly $2.6 million. Actual revenues were $40.7 million less than anticipated, and expenditures were $68.0 million less than budgeted.

That amount consists primarily of capital outlay and restricted program dollars that were not spent as of June 30, 2025, that will be carried over into the 2025-26 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024-25 the District had acquired $123.8 million in new capital assets, related to land, construction in progress, site improvements, subscription assets, and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was $13.8 million, and amortization was $2.2 million.

Table A-4: Capital Assets at Year End, Net of Depreciation

	Governmental Activities		
	2025	2024	Net Change
Land	$ 63,173,485	$ 57,038,043	$ 6,135,442
Buildings and improvements	418,338,645	342,843,192	75,495,453
Equipment	13,445,610	11,710,375	1,735,235
Construction in progress	190,556,556	169,696,310	20,860,246
Subscription assets	5,857,456	2,398,859	3,458,597
Total	$ 691,371,752	$ 583,686,779	$ 107,684,973

Long-Term Debt

At year-end the District had $971.9 million in long-term liabilities – a decrease of 6.7% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2025	2024*	Net Change
General obligation bonds	$ 377,553,479	$ 397,110,859	$ (19,557,380)
Certificates of participation	1,705,613	2,236,442	(530,829)
Site Lease-Purchase Agreement	6,902,000	7,728,000	(826,000)
Subscription Liability	332,836	1,073,466	(740,630)
Supplemental Employee Retirement Plan	2,768,078	5,536,156	(2,768,078)
Compensated Absences	40,609,731	44,266,464	(3,656,733)
Claims Liabilities	17,444,404	15,331,596	2,112,808
Other postemployment benefits	53,842,910	56,905,402	(3,062,492)
Net pension liability	470,728,846	511,758,618	(41,029,772)
Total	$ 971,887,897	$ 1,041,947,003	$ (70,059,106)

** As restated*

FACTORS BEARING ON THE DISTRICT'S FUTURE

California State Budget
The Budget aims to solve a $11.8 billion General Fund deficit for 2025-26 through reductions, borrowing and fund shifts. The 2025-26 Enacted Budget relies on reserves and deferrals to meet its Proposition 98 obligations for the fiscal year, including the scheduled $7.1 billion Budget Stabilization Act (BSA) withdrawal in 2025-26. This will leave a combined reserve balance of $15.7 billion in 2025-26, including $11.2 billion in the BSA and an additional $4.5 billion in the state's discretionary reserve account (the Special Fund for Economic Uncertainties).

TK-12 Education
The Budget includes total funding of $137.6 billion ($80.5 billion General Fund and $57.1 billion other funds) for all TK-12 education programs.

Proposition 98
The Budget revised estimates of General Fund revenues resulting in notable adjustments to the Proposition 98 Guarantee. The revised Guarantee for TK-14 schools is calculated to be $98.5 billion in 2023-24, $119.9 billion in 2024-25, and $114.6 billion in 2025-26. These revised Proposition 98 levels represent an increase of approximately $3.9 billion over the three-year period relative to the 2024 Budget Act. The Budget appropriates the 2024-25 Guarantee at $118 billion, instead of the currently calculated level of $119.9 billion. The difference between the appropriated and the calculated levels is $1.9 billion, which is referred to as "settle-up." The 2024-25 Guarantee level will not be finalized until that fiscal year is certified—a process that will occur throughout 2026.

The Budget shifts the full TK expansion funding to the TK-12 education side of the Proposition 98 budget, beginning in the 2025-26 fiscal year. This shifts $232.9 million in ongoing resources from community colleges to TK-12 schools. The purpose of re-benching Proposition 98 for the cost of TK expansion is to ensure that the implementation of universal TK does not create a fiscal burden on existing TK-12 programs.

The Budget includes a LCFF cost-of-living adjustment of 2.3 percent. When combined with population growth adjustments, these baseline adjustments will increase discretionary funds for local educational agencies (LEAs) by $2.1 billion compared to the 2024 Budget Act. To fully fund the LCFF, the Budget uses $405.3 million from the Proposition 98 Rainy Day Fund to support LCFF costs in 2025-26.

Budgetary deferrals of $246.6 million for TK-12 education from 2024-25 will be fully repaid in 2025-26. However, to fully fund the LCFF and maintain the level of 2025-26 principal apportionments, the Budget defers $1.9 billion in LCFF funding from June 2026 to July 2026.

Funding Results for Education Programs
In the 2025-26 school year, the Budget provides a total of $2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK. The Budget also provides an additional $1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

The Budget provides $515.1 million ongoing for the full implementation of the Expanded Learning Opportunities Program by increasing the number of elementary schools that offer universal access to students. Additionally, the Budget includes $10.4 million to increase the minimum grant amount from $50,000 to $100,000 per LEA.

The Budget provides $480 million to support literacy instruction aligned with the ELA/ELD Framework and includes multiple investments intended to support teachers and improve access to the educator pipeline. In addition, the Budget allocates $1.7 billion one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block Grant, as well as numerous one-time grants for various new and ongoing program support.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Federal Implications
Because the State Budget was approved in late June, it does not reflect the impact of the cuts in federal spending included in the federal omnibus tax and spending bill signed in early July. The bill does not make any statutory or direct funding adjustments to TK-12 federal education programs, including Title I and the Individuals with Disabilities Education Act. However, the bill allocates $100 million to the OMB to conduct reviews across the executive branch aimed at identifying "budget and accounting efficiencies."

All of these factors were considered in preparing the Riverside Unified School District budget for the 2025-26 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Nickie Hoff, Director of Business Services at (951) 352-6729, or 6050 Industrial Avenue, Riverside, California 92504.

RIVERSIDE UNIFIED SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Deposits and investments	$ 687,779,621
Accounts receivable	44,217,355
Prepaid expenses	356,935
Inventories	1,213,286
Other current assets	87,565
Capital assets:	
Non-depreciable capital assets	253,730,041
Depreciable capital assets	826,251,552
Less accumulated depreciation	(394,467,297)
Subscription assets	7,943,229
Less accumulated amortization	(2,085,773)
Total Assets	1,425,026,514
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	3,452,148
Deferred outflows related to OPEB	22,883,593
Deferred outflows related to pensions	199,987,486
Total Deferred Outflows of Resources	226,323,227
LIABILITIES	
Accounts payable	123,099,854
Accrued interest payable	5,925,426
Unearned revenue	3,187,498
Noncurrent liabilities:	
Due or payable within one year	24,713,348
Due in more than one year:	
Other than OPEB and pensions	422,602,793
Total OPEB liability	53,842,910
Net pension liability	470,728,846
Total Liabilities	1,104,100,675
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	18,071,660
Deferred inflows related to pensions	66,863,452
Total Deferred Inflows of Resources	84,935,112
NET POSITION	
Net investment in capital assets	376,195,447
Restricted for:	
Capital projects	21,098,734
Debt service	59,347,167
Student activities	2,403,788
Self-insurance programs	20,962,617
Categorical programs	185,565,566
Unrestricted	(203,259,365)
Total Net Position	$ 462,313,954

RIVERSIDE UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction	$ 416,317,105	$ 193,217	$ 90,086,209	$ (326,037,679)
Instruction-Related Services:				
Supervision of instruction	31,381,212	74,855	14,733,501	(16,572,856)
Instructional library, media and technology	5,830,217	-	38,827	(5,791,390)
School site administration	48,408,575	469	5,199,969	(43,208,137)
Pupil Support Services:				
Home-to-school transportation	22,872,590	-	1,204,875	(21,667,715)
Food services	36,146,739	762,838	37,060,211	1,676,310
All other pupil services	51,170,786	153,795	6,418,066	(44,598,925)
General Administration Services:				
Data processing services	10,620,431	-	125,144	(10,495,287)
Other general administration	23,619,214	66,989	8,462,148	(15,090,077)
Plant services	68,962,348	3,014,323	25,441,026	(40,506,999)
Ancillary services	10,125,427	1,456,001	2,274,118	(6,395,308)
Community services	282,467	-	(561)	(283,028)
Enterprise activities	241,703	-	-	(241,703)
Interest on long-term debt	13,272,530	-	-	(13,272,530)
Other outgo	11,049,746	1,699,295	5,467,698	(3,882,753)
Amortization (unallocated)	2,182,777	-	-	(2,182,777)
Total Governmental Activities	$ 752,483,867	$ 7,421,782	$ 196,511,231	(548,550,854)

General Revenues:	
Property taxes	191,904,593
Federal and state aid not restricted to specific purpose	409,085,963
Interest and investment earnings	26,317,109
Interagency revenues	564,227
Miscellaneous	40,382,768
Subtotal general revenues	668,254,660
Change in net position	119,703,806
Net position - July 1, 2024, as originally stated	372,982,419
Adjustments for restatements (Note 13)	(30,372,271)
Net position - July 1, 2024, as restated	342,610,148
Net position - June 30, 2025	$ 462,313,954

RIVERSIDE UNIFIED SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2025

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Deposits and investments	$ 444,252,611	$ 206,724,560	$ 650,977,171
Accounts receivable	30,558,052	12,029,878	42,587,930
Due from other funds	1,035,639	309,158	1,344,797
Stores inventories	131,936	1,081,350	1,213,286
Prepaid expenditures	356,935	-	356,935
Other current assets	-	87,565	87,565
Total Assets	$ 476,335,173	$ 220,232,511	$ 696,567,684
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 100,185,253	$ 22,549,929	$ 122,735,182
Due to other funds	635,658	1,048,957	1,684,615
Unearned revenue	2,385,791	801,707	3,187,498
Total Liabilities	103,206,702	24,400,593	127,607,295
Fund Balances			
Nonspendable	1,746,359	1,084,311	2,830,670
Restricted	140,740,514	143,435,829	284,176,343
Committed	199,889,541	50,985,559	250,875,100
Assigned	-	326,219	326,219
Unassigned	30,752,057	-	30,752,057
Total Fund Balances	373,128,471	195,831,918	568,960,389
Total Liabilities and Fund Balances	$ 476,335,173	$ 220,232,511	$ 696,567,684

RIVERSIDE UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds		$ 568,960,389
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets less accumulated depreciation and lease and subscription assets less accumulated amortization.		
Capital assets at historical cost	1,079,981,593	
Accumulated depreciation	(394,467,297)	
Subscription assets at historical cost	7,943,229	
Accumulated amortization	(2,085,773)	
Net:		691,371,752
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(5,925,426)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow. The remaining deferred amounts on refunding at the end of the period were:		3,452,148
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds payable	377,553,479	
Certificates of participation payable	1,705,613	
Site lease-purchase agreement	6,902,000	
Subscription liability	332,836	
Compensated absences payable	40,609,731	
Supplemental employee retirement plan	2,768,078	
Other postemployment benefits	53,842,910	
Net pension liability	470,728,846	
Total		(954,443,493)
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:		
Deferred outflows of resources	22,883,593	
Deferred inflows of resources	(18,071,660)	
Total		4,811,933
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred inflows and outflows relating to pensions for the period were:		
Deferred outflows of resources	199,987,486	
Deferred inflows of resources	(66,863,452)	
Total		133,124,034
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:		20,962,617
Total Net Position - Governmental Activities		$ 462,313,954

RIVERSIDE UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	(Formerly Major Fund) Building Fund	(Formerly Major Fund) Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 539,529,734			$ -	$ 539,529,734
Federal sources	39,477,615			25,416,381	64,893,996
Other state sources	147,039,683			22,747,514	169,787,197
Other local sources	45,384,979			78,996,278	124,381,257
Total Revenues	771,432,011			127,160,173	898,592,184
EXPENDITURES					
Current:					
Instruction	451,669,224			7,164,421	458,833,645
Instruction-Related Services:					
Supervision of instruction	33,501,498			833,170	34,334,668
Instructional library, media and technology	4,906,323			-	4,906,323
School site administration	50,436,174			1,196,250	51,632,424
Pupil Support Services:					
Home-to-school transportation	22,496,158			-	22,496,158
Food services	753,729			34,947,337	35,701,066
All other pupil services	54,796,001			127,480	54,923,481
Ancillary services	7,123,869			3,214,700	10,338,569
Community services	284,699			-	284,699
Enterprise activities	8,567			-	8,567
General Administration Services:					
Data processing services	11,585,824			-	11,585,824
Other general administration	32,625,851			346,327	32,972,178
Transfers of indirect costs	(1,808,570)			1,808,570	-
Plant services	68,978,910			978,211	69,957,121
Capital outlay	30,177,985			98,261,561	128,439,546
Intergovernmental transfers	521,776			-	521,776
Debt service:					
Principal	740,630			18,931,000	19,671,630
Interest	20,963			14,916,749	14,937,712
Total Expenditures	768,819,611			182,725,776	951,545,387
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,612,400			(55,565,603)	(52,953,203)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	1,381,454			1,544,870	2,926,324
Interfund transfers out	-			(2,926,324)	(2,926,324)
Issuance of non-obligatory debt	-			11,870,834	11,870,834
Total Other Financing Sources and Uses	1,381,454			10,489,380	11,870,834
Net Change in Fund Balances	3,993,854			(45,076,223)	(41,082,369)
Fund Balances, July 1, 2024, as originally stated	369,134,617	72,238,015	6,999,467	161,670,659	610,042,758
Change in reporting entity (major to non-major funds)	-	(72,238,015)	(6,999,467)	79,237,482	-
Fund Balances, July 1, 2024, as restated	369,134,617	-	-	240,908,141	610,042,758
Fund Balances, June 30, 2025	$ 373,128,471			$ 195,831,918	$ 568,960,389

RIVERSIDE UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2025

Total Net Change in Fund Balances - Governmental Funds		$ (41,082,369)
Amounts reported for governmental *activities* in the statement of activities are different because:		
In governmental funds, the costs of capital assets, lease assets and subscription assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, lease assets and subscription assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:		
Expenditures for capital outlay	123,836,523	
Depreciation expense	(13,796,107)	
Amortization expense	(2,182,777)	
		107,857,639
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		19,671,630
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these charges are recognized as an expenditure. However, in the statement of activities these amounts are amortized over the shorter of the life of the refunded bonds or the refunding bonds. The difference between current year amounts and the current year amortization was:		(617,078)
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:		(172,666)
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:		1,983,209
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		299,051
In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		3,656,733
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, supplemental employee retirement plans. This year, expenses incurred for such obligations were:		2,768,078
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		21,056,033
In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:		983,198
The internal service fund is used by management to charge the cost of self-insurance activities. The net revenue (expense) of the internal service fund is reported with governmental activities.		3,300,348
Change in Net Position of Governmental Activities		$ 119,703,806

RIVERSIDE UNIFIED SCHOOL DISTRICT
Statement of Net Position – Proprietary Fund
June 30, 2025

	Governmental Activities Internal Service Funds
ASSETS	
Current Assets	
Deposits and investments	$ 36,802,450
Accounts receivable	1,629,425
Due from other funds	349,863
Total Assets	38,781,738
LIABILITIES	
Current Liabilities	
Accrued liabilities	364,672
Due to other funds	10,045
Total current liabilities	374,717
Non-Current Liabilities	
Claims liability	17,444,404
Total Liabilities	17,819,121
NET POSITION	
Restricted for self-insurance	$ 20,962,617

RIVERSIDE UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
STRS on-behalf contributions	$ 7,184
Charges to other funds	51,454,724
Other local revenues	8,999,557
Total operating revenues	60,461,465
OPERATING EXPENSES	
Salaries and benefits	1,935,086
Supplies and materials	15,287
Services and other operating expenses	56,944,102
Total operating expenses	58,894,475
Operating Income (Loss)	1,566,990
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	1,293,427
Net decrease in the fair value of investments	439,931
Total non-operating revenues/(expenses)	1,733,358
Change in net position	3,300,348
Net position, July 1, 2024	17,662,269
Net position, June 30, 2025	$ 20,962,617

RIVERSIDE UNIFIED SCHOOL DISTRICT
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from assessments made to other funds	$ 49,954,623
Cash received from all other sources	9,006,741
Cash payments for payroll, insurance and operating costs	(56,680,266)
Net cash provided (used) by operating activities	2,281,098
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,605,575
Net decrease in the fair value of investments	439,931
Net cash provided by investing activities	2,045,506
Net increase (decrease) in cash and cash equivalents	4,326,604
Cash, July 1, 2024	32,475,846
Cash, June 30, 2025	$ 36,802,450
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 1,566,990
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,291,049)
(Increase) decrease in due from other funds	(209,052)
Increase (decrease) in accounts payable	107,271
Increase (decrease) in due to other funds	(5,870)
Increase (decrease) in claims liability	2,112,808
Net cash provided (used) by operating activities	$ 2,281,098

RIVERSIDE UNIFIED SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2025

	Debt Service Funds for Special Tax Bonds	OPEB Trust Fund	Foundation Trust Fund
ASSETS			
Deposits and investments	$ 42,403,146	$ 35,642,543	$ 283,763
Accounts receivable	-	-	2,896
Total Assets	42,403,146	35,642,543	286,659
LIABILITIES			
Accounts payable	-	-	3,200
NET POSITION			
Restricted for:			
CFD debt service	24,883,213	-	-
Amounts held for other governments	17,519,933	-	-
Other postemployment benefits	-	35,642,543	-
Individuals and organizations	-	-	283,459
Total Net Position	$ 42,403,146	$ 35,642,543	$ 283,459

RIVERSIDE UNIFIED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
June 30, 2025

	Debt Service Funds for Special Tax Bonds	OPEB Trust Fund	Foundation Trust Fund
ADDITIONS			
Local property taxes	$ 13,166,013	$ -	$ -
Interest and investment earnings	1,414,097	1,436,495	11,915
Realized and unrealized gains (losses) on investments	-	2,171,445	-
Proceeds from non-obligatory debt	2,668,029	-	-
All other sources	-	-	13,452
Total Additions	17,248,139	3,607,940	25,367
DEDUCTIONS			
Supplies and materials	-	-	5,021
General administration	539,327	174,318	8,500
Public facilities	368,531	-	-
Debt service - interest	6,425,786	-	-
Debt service - principal	6,295,000	-	-
All other transfers out	58,406	-	-
Total Deductions	13,687,050	174,318	13,521
Change in fiduciary net position	3,561,089	3,433,622	11,846
Net position - July 1, 2024	38,842,057	32,208,921	271,613
Net position - June 30, 2025	$ 42,403,146	$ 35,642,543	$ 283,459

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the California 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.

The following is a summary of the more significant policies:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, and thus are included in the financial statements using the blended presentation method as if they were part of the District's operations because the Board of Education of the component units is essentially the same as the Board of Education of the District and because their purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Riverside USD Financing Authority (the "Authority") and Riverside USD Facilities Corporation (the "Corporation") financial activity are presented in the financial statements as the Debt Service Fund. Certificates of participation and other debt issued by the Authority and the Corporation are included as long-term liabilities in the District-wide financial statements. Individually prepared financial statements are not prepared for the Authority or the Corporation.

Riverside Unified School District (the "District"), the Riverside Unified School District Financing Authority (the Authority), the Riverside Unified School District School Facilities Corporation (the Corporation) and Community Facilities Districts (CFDs) have a financial and operational relationship which meets the reporting entity definition criteria of its financial transactions in accordance with the policies and procedures of the California 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.

The following are those aspects of the relationship among the District, the Authority, the Corporation and the CFDs which satisfy GASB Statement No. 14 criteria:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Oversight Responsibility:

1. The Authority and Corporation's Board of Directors were appointed by the District's Board of Education.

2. The District is able to impose its will upon the Authority, Corporation and CFDs, based on the following:

    a. The Authority, Corporation and CFDs have no employees. The District's Assistant Superintendent of Business Services functions as an agent of the entities. The Assistant Superintendent of Business Services does not receive additional compensation for work performed in this capacity.

The Riverside Unified School District Community Facilities Districts' (CFDs) financial activity is presented in the financial statements as the Capital Projects Fund for Blended Component Units and in the Fiduciary Funds Statement as the Debt Service Fund for Special Tax Bonds. Special Tax Bonds issued by the CFDs are not included in the long-term obligations of the *Statement of Net Position* as they are not obligations of the District. Individually prepared financial statements are not prepared.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements
The Statement of Net Position and the Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements
The fund financial statements provide information about the District's funds, including its fiduciary funds (and blended component units). Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

Special Revenue Funds: Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

Student Activity Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090 and 38093).

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Projects Funds (continued)

Capital Projects Fund for Blended Component Units: This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code* Sections 15125-15262).

Debt Service Fund: This fund is used to account for the interest and redemption of principal of Certificates of Participation.

Proprietary Funds
Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary funds:

Internal Service Funds: These funds are used to account for services rendered on a cost-reimbursement basis within the District. The District operates workers' compensation and property and liability insurance programs that are accounted for in the Internal Service Fund. In addition, the District's health and welfare benefit programs are accounted for in the Internal Service Fund.

Self-Insurance Fund: Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds in the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* Section 17566).

Fiduciary Funds
Fiduciary funds are used to account for assets held in a trustee or custodial capacity for others that cannot be used to support the District's own programs. The key distinction between trust and custodial funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District maintains the following fiduciary fund:

Debt Service Fund for Special Tax Bonds: This fund is used to account for the accumulation of resources for, and the repayment of, Community Facility District bonds, interest and related costs.

OPEB Trust Fund: This fund exists to account separately for amounts held in trust from salary reduction agreements, other irrevocable contributions for employees' retirement benefit payments, or both.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fiduciary Funds (continued)

Foundation Trust Fund: This fund is used to fund scholarships awarded to deserving students, and to provide grants to teachers for classroom and instructional projects and programs**.**

2. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's proprietary funds and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions (continued)
Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

C. 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 encumbrances are liquidated as of June 30.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents
The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Inventories
Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

3. Capital Assets
Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings	20-50 years
Improvements/Infrastructure	5-50 years
Equipment	5-20 years

4. Unearned Revenue
Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

4. Unearned Revenue (continued)
Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

5. Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences
The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

7. Leases

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

Lessor:
The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Subscription-Based Information Technology Arrangements

The District recognizes a subscription liability and an intangible right-to-use subscriptions IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the lease liability, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 4 years.

9. Postemployment Benefits Other Than Pensions (OPEB)

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

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Fund Balances

The fund balance for Governmental Funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Fund Balances (continued)

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Minimum Fund Balance Policy

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the District against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Chief Financial Officer to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

The District's minimum reserve standard is 2% of total General Fund expenditures, transfers out, and other uses, as per the recommended level for districts with more than 30,000 ADA (California Department of Education), but governing board policy requires a minimum reserve of 4%.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the Board of Education has provided otherwise in its commitment or assignment actions.

F. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

G. Use of Estimates

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

H. Change in Accounting Principle

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences.* This standard requires the recognition of accrued compensated absences as a liability in the financial statements. The implementation resulted in a cumulative effect adjustment to beginning net position to reflect the recognition of accumulated leave liabilities previously unrecorded. The impact on the District's beginning net position was a decrease of $30,372,271.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental funds	$	650,977,171
Proprietary funds		36,802,450
Governmental Activities		687,779,621
Fiduciary funds		78,329,452
Total Deposits and Investments	$	766,109,073

Deposits and investments as of June 30, 2025, consist of the following:

Cash on hand and in banks	$	1,802,707
Cash in revolving fund		152,961
Cash with fiscal agent		1,100,000
Cash collections awaiting deposit		296
Investments		763,053,109
Total Deposits and Investments	$	766,109,073

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Riverside County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Riverside County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Riverside County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2025, $2,999,780 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Education. Investments purchased with maturities greater than one year require written approval by the Superintendent or designee prior to commitment. Maturities of investments held at June 30, 2025, consist of the following:

			Maturity		
	Rating	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:					
Riverside County Investment Pool	N/A	$ 669,491,314	$ 669,491,314	$ -	Uncategorized
U.S. Bank - Money Market	N/A	57,919,252	57,919,252	-	Level 1
Mutual Fund - Fixed Income	N/A	17,760,097	17,760,097	-	Level 1
Mutual Fund - Domestic Equity	N/A	13,268,749	13,268,749	-	Level 1
Mutual Fund - International Equity	N/A	2,865,357	2,865,357	-	Level 1
Mutual Fund - Real Estate	N/A	1,748,340	1,748,340	-	Level 1
Total Investments		$ 763,053,109	$ 763,053,109	$ -	

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2025, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2025, the District had the following investments that represent more than five percent of the District's net investments, other than the County Pool.

First America Treasury Obligations:	
U.S. Bank - Money Market	61.9%
Mutual Fund - Fixed Income	19.0%
Mutual Fund - Domestic Equity	14.2%

Fair Value Measurements
The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurements (continued)

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Riverside County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

All assets have been valued using a market approach, with quoted market prices.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, consisted of the following:

	Governmental Activities				
	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Funds	Fiduciary Funds
Federal Government:					
Categorical aid programs	$ 10,582,362	$ 1,312,339	$ 11,894,701	$ -	$ -
State Government:					
Lottery	2,819,773	-	2,819,773	-	-
Categorical aid programs	8,623,894	1,482,171	10,106,065	-	-
Local:					
Interest	533,528	594,183	1,127,711	57,612	198
ASB funds	-	23	23	-	-
Other local	7,998,495	8,641,162	16,639,657	1,571,813	2,698
Total	$ 30,558,052	$ 12,029,878	$ 42,587,930	$ 1,629,425	$ 2,896

NOTE 4 – INTERFUND TRANSACTIONS

Balances Due To/From Other Funds

Balances due to/from other funds at June 30, 2025, consisted of the following:

	Due From Other Funds			
	General Fund	Non-Major Governmental Funds	Self-Insurance Fund	Total
General Fund	$ -	$ 307,502	$ 328,156	$ 635,658
Non-Major Governmental Funds	1,027,176	74	21,707	1,048,957
Self-Insurance Fund	8,463	1,582	-	10,045
Totals	$ 1,035,639	$ 309,158	$ 349,863	$ 1,694,660

General Fund due to Self-Insurance Fund for worker's compensation	$ 328,156
General Fund due to Child Development Fund to transfer CSPP overspending	65,427
General Fund due to Child Development Fund for payroll learning materials and floor expense	32,700
General Fund due to Cafeteria Fund for summer cafeteria expenses	179,793
General Fund due to Special Reserves for Capital Projects Fund for furniture	17,415
General Fund due to Special Reserves for Capital Projects Fund for CFD 37 overspent	12,167
Adult Education Fund due to General Fund for direct and indirect costs	172,737
Adult Education Fund due to Self-Insurance Fund for worker's compensation	1,674
Child Development Fund due to General Fund for direct and indirect costs and payroll	496,948
Child Development Fund due to Self-Insurance Fund for worker's compensation	2,096
Cafeteria Fund due to General Fund for direct and indirect costs	307,491
Cafeteria Fund due to Self-Insurance Fund for worker's compensation	17,858
Capital Facilities Fund due to Self-Insurance Fund for worker's compensation	79
County School Facilities Fund due to Special Reserves for Capital Outlay Fund for interest alloca	74
Special Reserves for Capital Outlay Fund due to General Fund for American Tower project	50,000
Self-Insurance Fund due to General Fund for worker's compensation overpayment	8,463
Self-Insurance Fund due to Cafeteria Fund for worker's compensation overpayment	1,582
Total	$ 1,694,660

Interfund Transfers In/Out

Interfund transfers in/out of other funds during the 2024-25 year consisted of the following:

Capital Facilities Fund transfer to Debt Service Fund for developer fees	$ 1,544,870
Cafeteria Fund to General Fund for transfer of grant	1,381,454
Total Interfund Transfers	$ 2,926,324

NOTE 5 – FUND BALANCES

At June 30, 2025, fund balances of the District's governmental funds were classified as follows:

	General Fund	Non-Major Governmental Funds	Total
Nonspendable:			
Revolving cash	$ 150,000	$ 2,961	$ 152,961
Stores inventories	131,936	1,081,350	1,213,286
Prepaid expenditures	356,935	-	356,935
All other	1,107,488	-	1,107,488
Total Nonspendable	1,746,359	1,084,311	2,830,670
Restricted:			
Categorical programs	140,740,514	2,710,787	143,451,301
Student body activities	-	2,291,174	2,291,174
Child nutrition program	-	41,142,568	41,142,568
Capital projects	-	37,944,133	37,944,133
Debt service	-	59,347,167	59,347,167
Total Restricted	140,740,514	143,435,829	284,176,343
Committed:			
Capital outlay projects	-	50,831,443	50,831,443
Other commitments	199,889,541	154,116	200,043,657
Total Committed	199,889,541	50,985,559	250,875,100
Assigned:			
Adult education programs	-	1,357	1,357
Other assignments	-	324,862	324,862
Total Assigned	-	326,219	326,219
Unassigned:			
Reserve for economic uncertainties	30,752,784	-	30,752,784
Remaining unassigned balances	(727)	-	(727)
Total Unassigned	30,752,057	-	30,752,057
Total	$ 373,128,471	$ 195,831,918	$ 568,960,389

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2025, was as follows:

Capital assets not being depreciated:	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025
Land	$ 57,038,043	$ 6,135,442	$ -	$ 63,173,485
Construction in progress	169,696,310	105,063,004	84,202,758	190,556,556
Total capital assets not being depreciated	226,734,353	111,198,446	84,202,758	253,730,041
Capital assets being depreciated:				
Buildings and improvements	715,189,671	87,255,188	-	802,444,859
Equipment	20,053,427	3,944,273	191,007	23,806,693
Total capital assets being depreciated	735,243,098	91,199,461	191,007	826,251,552
Accumulated depreciation for:				
Buildings and improvements	(372,346,479)	(11,759,735)	-	(384,106,214)
Equipment	(8,343,052)	(2,036,372)	(18,341)	(10,361,083)
Total accumulated depreciation	(380,689,531)	(13,796,107)	(18,341)	(394,467,297)
Total capital assets being depreciated, net	354,553,567	77,403,354	172,666	431,784,255
Capital assets, net	581,287,920	188,601,800	84,375,424	685,514,296
Subscription assets:				
Subscription assets	3,887,444	5,641,374	1,585,589	7,943,229
Accumulated amortization	(1,488,585)	(2,182,777)	(1,585,589)	(2,085,773)
Total subscription assets, net	2,398,859	3,458,597	-	5,857,456
Total Capital Assets, Net	$ 583,686,779	$ 192,060,397	$ 84,375,424	$ 691,371,752

Depreciation expense was charged to governmental activities as follows:

Depreciation by Function:	Governmental Activities
Instruction	$ 8,526,382
Supervision of instruction	535,296
Instructional library, media and technology	82,786
School site administration	904,867
Home-to-school transportation	371,421
Food services	519,886
All other pupil services	741,873
All other general administration	466,669
Ancillary services	142,422
Community services	929
Enterprise activities	682
Centralized data processing	130,457
Plant services	1,372,437
Total Depreciation Expense	$ 13,796,107

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term liabilities other than OPEB or pensions for the fiscal year ended June 30, 2025, were as follows:

	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	$ 365,980,000	$ -	$ 17,630,000	$ 348,350,000	$ 18,320,000
Unamortized Issuance Premium	31,130,859	-	1,927,380	29,203,479	1,927,379
Total GO Bonds	397,110,859	-	19,557,380	377,553,479	20,247,379
Certificates of Participation					
Principal Payments	2,055,000	-	475,000	1,580,000	500,000
Unamortized Issuance Premium	181,442	-	55,829	125,613	55,828
Total Certificates of Participation	2,236,442	-	530,829	1,705,613	555,828
Site Lease-Purchase Agreement	7,728,000	-	826,000	6,902,000	841,000
Subscription Liability	1,073,466	-	740,630	332,836	301,063
Supplemental Employee Retirement Plan	5,536,156	-	2,768,078	2,768,078	2,768,078
Compensated Absences:					
Vacation Leave	13,894,193	-	4,200,638	9,693,555	-
Sick Leave*	30,372,271	543,905	-	30,916,176	-
Claims Liabilities	15,331,596	50,744,681	48,631,873	17,444,404	-
Totals	$ 473,282,983	$ 51,288,586	$ 77,255,428	$ 447,316,141	$ 24,713,348

* *Beginning balance of sick leave restated due to implementation of GASB Statement No.101*

Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund with local property tax revenues. Payments on the Certificates of Participation and the site lease-purchase agreement are made by the Special Reserve Fund for Capital Outlay. Additions and deductions for compensated absences are reported net of their cumulative change in the current year. The subscription software liability and the supplemental early retirement plan will be paid from the General Fund. The claims liability will be paid by the Internal Service Fund.

A. General Obligation Bonds

Election of 2016 (Measure O)
On November 8, 2016, the voters of the District approved, by more than a 55% majority, Measure "O", authorizing the District to issue up to $392 million in bonds with revenue going to finance the repair, upgrading, acquisition, construction and equipping of District sites and facilities.

Defeasance of Debt
The District has defeased certain general obligation bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, any trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2025, no principal balance is outstanding on the defeased debt.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2025, deferred outflows on refunding, including refunding certificates of participation as described in Note 7.B., were $3,452,148.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds (continued)

The Bonds are general obligations of the District, payable solely from ad valorem property taxes. The County Board is empowered and obligated to annually levy such ad valorem property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

Below is a schedule of bonds issued and outstanding as of June 30, 2025.

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2024	Additions	Deductions	Balance, June 30, 2025
Refunding Bonds								
2015 Refunding	6/17/2015	8/1/2030	2.0%-5.0%	$ 48,810,000	$ 28,050,000	$ -	$ 1,420,000	$ 26,630,000
2016 Refunding	5/25/2016	8/1/2038	0.7%-4.32%	53,365,000	49,610,000	-	430,000	49,180,000
2019 Refunding	12/17/2019	2/1/2027	1.696%-2.505%	26,555,000	13,095,000	-	4,550,000	8,545,000
Election of 2016 (Measure O)								
Series A	5/25/2017	8/1/2041	3.0%-5.0%	100,000,000	60,090,000	-	3,890,000	56,200,000
Series B	12/17/2019	8/1/2042	3.0%-4.0%	172,000,000	140,735,000	-	730,000	140,005,000
Series C	2/14/2023	8/1/2042	5.00%	80,000,000	74,400,000	-	6,610,000	67,790,000
			Totals	$ 480,730,000	$ 365,980,000	$ -	$ 17,630,000	$ 348,350,000

The annual requirements to amortize general obligation bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2025-2026	$ 18,320,000	$ 13,842,504	$ 32,162,504
2026-2027	14,530,000	13,162,422	27,692,422
2027-2028	9,045,000	12,663,210	21,708,210
2028-2029	14,595,000	12,115,296	26,710,296
2029-2030	15,910,000	11,473,542	27,383,542
2030-2035	86,500,000	47,485,933	133,985,933
2035-2040	116,215,000	26,351,204	142,566,204
2040-2043	73,235,000	4,722,000	77,957,000
Totals	$ 348,350,000	$ 141,816,111	$ 490,166,111

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

B. Certificates of Participation

On January 29, 2019, the District issued refunding certificates of participation in the amount of $4,170,000 through the Riverside Unified School District School Facilities Corporation. The proceeds of the certificates were used to (i) refund the District's outstanding Refunding Certificates of Participation Series A of 2009, (ii) purchase an insurance policy for deposit into a debt service reserve fund established for the certificates, and (iii) pay the costs related to the execution and delivery of the certificates.

Future payments outstanding on the certificates at June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2025-2026	500,000	66,500	566,500
2026-2027	525,000	40,875	565,875
2027-2028	555,000	13,875	568,875
Totals	$ 1,580,000	$ 121,250	$ 1,701,250

C. Site Lease Purchase Agreement

On June 1, 2021, the District entered into a lease-purchase agreement with the Riverside Unified School District School Facilities Corporation in the amount of $10,112,000. The purpose of the agreement was to refinance the District's outstanding certificates of participation (2015 School Facilities Project) and the outstanding 2016 Refunding Lease. Under the agreement, the District leases the land and improvements consisting of the school sites and improvements known as Patricia Beatty Elementary School and Hawthorne Elementary School to the Corporation, which then sub-leases the property back to the District. The agreement does not meet the criteria to be reported as a lease under GASB Statement No. 87.

Future payments outstanding under the agreement at June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2025-2026	841,000	153,916	994,916
2026-2027	695,000	135,401	830,401
2027-2028	547,000	120,267	667,267
2028-2029	555,000	107,651	662,651
2029-2034	2,975,000	339,446	3,314,446
2034-2035	1,289,000	22,241	1,311,241
Totals	$ 6,902,000	$ 878,922	$ 7,780,922

D. Subscription Based IT Arrangements

The District is involved in several arrangements for subscription-based software. The initial terms for these subscriptions range from 24 to 72 months. There are no variable payments not included in the measurement of the lease liability, no residual value guarantees provided and no commitments before the commencement of the lease term. The District used either the stated interest rate or the State's incremental borrowing rate at inception to discount the subscription payments to the net present value. Other key assumptions and policies can be found in Note 1.D. The related asset disclosures are presented in Note 6.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

D. Subscription Based IT Arrangements (continued)

Annual future payments are as follows:

Fiscal Year	Payment
2025-2026	301,063
2026-2027	23,673
2027-2028	8,100
Total	$ 332,836

E. Supplemental Employee Retirement Plan

The District has established a supplemental employee retirement program (SERP) whereby certain qualified employees may retire and receive a portion of their salary paid out as an annuity. The total future payments owing at June 30, 2025, for these obligations are shown below.

Fiscal Year	Payment
2025-2026	$ 2,768,078

F. Non-Obligatory Debt

Non-obligatory debt relates to debt issuances by the Community Facilities Districts as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders and may initiate foreclosure proceedings. Special assessment debt of $141,125,000 as of June 30, 2025, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2025, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 52,219,241	$ 22,883,593	$ 18,071,660	$ 5,145,071
MPP Program	1,623,669	-	-	(263,882)
Totals	$ 53,842,910	$ 22,883,593	$ 18,071,660	$ 4,881,189

The details of each plan are as follows:

District Plan

Plan Description
The District's single employer defined benefit plan provides OPEB for eligible certificated, classified, police, and management employees of the District. Benefits are funded through the Futuris Public Entity Investment Trust ("Futuris"). The Trust is an IRS Section 115 Trust that is used for the purposes of investment and disbursement of funds irrevocably designated by the District for the payment of its obligations to eligible employees and former employees of the District and their eligible dependents and beneficiaries for life, sick, hospitalization, major medical, accident, disability, dental and other similar benefits (sometimes referred to as "other post-employment benefits," or "OPEB"). The Trust was established and is managed in compliance with the applicable Governmental Accounting Standards Board (GASB) standards for OPEB.

Benefits Provided
The post-retirement health plans, and the District's obligation vary by employee group as described below.

Amendments
The Employer reserves the right to amend the Plan at any time.

Covered Employees
All full-time employees as submitted by the plan sponsor (must be covered by the active plan at time of retirement or disability).

Eligibility Conditions
An employee who is covered by the medical plan and has met eligibility requirements listed below is eligible to elect post-retirement covered at retirement.

Certificated Retirees: Attainment of age 55 and the completion of 15 years of full-time service out of the last 19 years prior to retirement.

Management, Confidential and Cabinet Retirees: Retirement under PERS or STRS, attainment of age 50 (PERS) or 55 (STRS) and completion of 15 years of full-time service with 5 years of District service immediately prior to retirement.

Classified Retirees: Attainment of age 50 and completion of 10 years of District service.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Benefits Provided (continued)

Employer Contributions
The funding policy of the plan sponsor is to contribute annually an amount at least sufficient to satisfy benefit payment requirements to participants.

Coverage and Employee Cost Sharing

Type of Coverage	Retiree	Spouse
Medical and Prescription Drug Coverage		
Retiree Cost Sharing	*Certificated, Management, Confidential, and Cabinet:* Retirees pay $0; the District pays full amount. *Classified*: Retirees receive a District-paid contribution of $3,071 per year towards retiree-only medical coverage, reduced by $185 for each year of service less than 20, to a minimum of $2,146 per year for 15 or fewer years of service. If a retiree has 25 or more years of service, the retiree will receive a monthly amount equal to the smallest single-party premium available.	Retiree pays 100% of spousal premium.
Coverage Ceases	*Certificated:* Lesser of 10 years or at age 65. *Management, Confidential and Cabinet*: Lesser of 10 years or at age 65. *Classified:* Lesser of 10 years or at age 65.	Coverage ceases at the earlier age of 65 or the point at which the retiree's coverage ceases.

Employees covered by benefit terms
At the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	267
Active employees	3,396
Total	3,663

Total OPEB Liability
The District's total OPEB liability of $84,428,162 for the Plan was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Actuarial Assumptions and Other Inputs
The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2023
Salary increases	2.50%
Healthcare cost trend rates	9.72% for fiscal year end 2024 and 2.46% for fiscal year end 2025 (to reflect actual experience), then 7.00% for fiscal year end 2026, decreasing 0.25% per year to an ultimate rate of 5.00%

Discount Rate

The discount rate should be the single rate that reflects the following:

a. The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return;

b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in a. above are not met.

Based on a projection of the plan's cash flow, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the total OPEB liability was determined using the long-term expected rate of return on OPEB plan investments.

The discount rate for GASB 75 has been set equal to 5.50%, which is the expected rate of return on assets.

Mortality Rates
PUB-2010 Mortality Tables, with improvement scale MP-2021 fully generational.

Rate of Return
For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Changes in the Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2023	$ 80,052,279	$ 25,034,428	$ 55,017,851
Changes for the year:			
Service cost	2,919,743	-	2,919,743
Interest	4,509,301	-	4,509,301
Differences between expected and actual experience	(4,970,044)	-	(4,970,044)
Employer contributions	-	5,996,181	(5,996,181)
Net investment income	-	3,329,240	(3,329,240)
Benefit payments	(1,996,181)	(1,996,181)	-
Administrative expenses	-	(154,747)	154,747
Changes of assumptions	3,913,064	-	3,913,064
Net changes	4,375,883	7,174,493	(2,798,610)
Balance at June 30, 2024	$ 84,428,162	$ 32,208,921	$ 52,219,241

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	$ 59,309,684
Current discount rate	$ 52,219,241
1% increase	$ 45,753,871

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 44,207,976
Current trend rate	$ 52,219,241
1% increase	$ 61,457,824

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2025, the District recognized OPEB expense of $5,145,071. In addition, at June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date of the net OPEB liability	$ 5,916,785	$ -
Differences between expected and actual experience	3,716,199	9,458,627
Changes of assumptions	10,304,375	6,064,254
Net difference between projected and actual earnings on OPEB plan investments	2,946,234	2,548,779
Totals	$ 22,883,593	$ 18,071,660

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 5,444,524	$ 6,211,543
2027	4,542,980	4,097,844
2028	2,267,891	2,729,440
2029	2,213,189	2,206,748
2030	1,436,844	1,352,493
Thereafter	1,061,380	1,473,592
Totals	$ 16,966,808	$ 18,071,660

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2024, 4,121 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with *Education Code* Section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability
At June 30, 2025, the District reported a liability of $1,623,669 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2024, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net OPEB Liability	0.609147%	0.622057%	(0.012910%)

For the year ended June 30, 2025, the District reported OPEB expense of $(263,882).

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

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

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return	3.93%
Healthcare Cost Trend Rates	5.0% for Medicare Part A, and 6.5% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population of 132,333.

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

Discount Rate
The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2025, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate		MPP OPEB Liability
1% decrease	$	1,751,900
Current discount rate	$	1,623,669
1% increase	$	1,510,916

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates		MPP OPEB Liability
1% decrease	$	1,504,154
Current trend rate	$	1,623,669
1% increase	$	1,757,102

NOTE 9 – PENSION PLANS

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

For the fiscal year ended June 30, 2025, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses for each of the above plans as follows:

Pension Plan		Net Pension Liability		Deferred Outflows of Resources		Deferred Inflows of Resources		Pension Expense
CalSTRS	$	280,449,935	$	111,709,347	$	43,163,242	$	17,986,910
CalPERS		190,278,911		88,278,139		23,700,210		35,863,180
Totals	$	470,728,846	$	199,987,486	$	66,863,452	$	53,850,090

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on the members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Contributions
The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046.

The contribution rates for each program for the year ended June 30, 2025, are presented above, and the District's total contributions were $55,811,927.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	$	280,449,935
State's proportionate share of the net pension liability associated with the District		128,671,395
Total	$	409,121,330

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net Pension Liability	0.417566%	0.420556%	(0.002990%)

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2025, the District recognized pension expense of $17,986,910. In addition, the District recognized pension expense and revenue of $(12,293,868) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 55,811,927	$ -
Net change in proportionate share of net pension liability	22,947,277	10,613,963
Difference between projected and actual earnings on pension plan investments	-	1,131,604
Changes of assumptions	1,227,645	19,153,758
Differences between expected and actual experience	31,722,498	12,263,917
Totals	$ 111,709,347	$ 43,163,242

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 4,243,566	$ 21,855,278
2027	27,998,902	3,048,100
2028	5,909,654	5,507,564
2029	7,926,499	6,785,316
2030	6,986,791	3,661,922
Thereafter	2,832,008	2,305,062
Totals	$ 55,897,420	$ 43,163,242

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2024, include:

Valuation Date	June 30, 2023
Experience Study	July 1, 2007, through June 30, 2022
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll Growth	3.50%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality amongst our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of the 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	38.0%	8.00%	5.25%
Real Estate	15.0%	6.80%	4.05%
Private Equity	14.0%	9.50%	6.75%
Fixed Income	14.0%	5.20%	2.45%
Risk Mitigating Strategies	10.0%	5.00%	2.25%
Inflation Sensitive	7.0%	6.40%	3.65%
Cash/Liquidity	2.0%	2.80%	0.05%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate		Net Pension Liability
1% decrease (6.10%)	$	498,828,666
Current discount rate (7.10%)	$	280,449,935
1% increase (8.10%)	$	98,094,634

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954, 22955, and 22955.1 of the *Education Code* and *Public Resources Code* Section 6217.5. Under accounting principles generally accepted in the United States of America, these contributions are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $25,981,478.

B. California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the members' final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	27.05%	27.05%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were $31,388,080.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $190,278,911. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Proportion of the Net Pension Liability	0.532415%	0.528907%	0.003508%

For the year ended June 30, 2025, the District recognized pension expense of $35,863,180. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 31,388,080	$ -
Net change in proportionate share of net pension liability	8,430,701	1,428,180
Difference between projected and actual earnings on pension plan investments	28,301,447	20,910,210
Changes of assumptions	4,205,806	-
Differences between expected and actual experience	15,952,105	1,361,820
Totals	$ 88,278,139	$ 23,700,210

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 27,650,713	$ 16,007,603
2027	22,536,582	3,015,207
2028	6,460,708	2,338,700
2029	242,056	2,338,700
2030	-	-
Thereafter	-	-
Totals	$ 56,890,059	$ 23,700,210

Actuarial Methods and Assumptions
Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Experience Study	2000-2019
Actuarial Cost Method	Individual entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flow. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return
Global Equity Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

Discount Rate
The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate		Net Pension Liability
1% decrease (5.9%)	$	282,660,908
Current discount rate (6.9%)	$	190,278,911
1% increase (7.9%)	$	113,964,025

C. Social Security
As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2025, the District reported payables of $434,823 and $1,106,462 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2025.

NOTE 10 – JOINT VENTURES

The District has entered into a joint power agreement (JPA) with the Alliance of Schools for Cooperative Insurance Programs (ASCIP) units, as allowed by the California Government Code. This JPA has budgeting and financial reporting requirements independent of member units, whose financial statements are not presented in these financial statements; however, fund transactions between the entity and Riverside Unified School District are included in these statements. Separate financial statements are available from each JPA.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants
The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

B. Construction Commitments
As of June 30, 2025, the District had commitments with respect to unfinished capital projects of approximately $135.6 million, of which $55.3 million is related to Measure "O" projects.

C. Litigation
The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2025.

NOTE 12 – RISK MANAGEMENT

Property and Liability
The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For the fiscal year ending June 30, 2025, the District contracted with Alliance of Schools Cooperative Insurance Programs (ASCIP) for property and liability insurance coverage. Excess liability coverage is obtained through participation in Schools Excess Liability Fund (SELF) (through ASCIP). Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. In addition, property and liability claims for which the District retains the risk of loss (claims below the District's retained limits), are administered by the Self- Insurance Fund.

Workers' Compensation
Beginning in 2009, the District has established a fund to self-insure itself for workers' compensation coverage. The workers' compensation experience of the District was calculated and applied to a premium rate, which was utilized to charge funds for the administration of the program. Excess liability coverage for workers' compensation claims is provided through the purchase of commercial insurance.

Employee Medical Benefits
Employee life, health, and disability programs are administered through the purchase of commercial insurance and self-insurance.

NOTE 12 – RISK MANAGEMENT (continued)

Unpaid Claims Liabilities
The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2023, to June 30, 2025:

	Property and Liability	Health Insurance	Workers' Compensation	Total
Liability Balance, July 1, 2023	$ 1,437,352	$ 3,969,781	$ 7,513,444	$ 12,920,577
Claims and changes in estimates	481,630	36,382,508	6,896,753	43,760,891
Claims payments	(486,763)	(36,464,817)	(4,398,292)	(41,349,872)
Liability Balance, June 30, 2024	1,432,219	3,887,472	10,011,905	15,331,596
Claims and changes in estimates	1,679,854	44,059,391	5,005,436	50,744,681
Claims payments	(1,137,793)	(43,918,008)	(3,576,072)	(48,631,873)
Liability Balance, June 30, 2025	$ 1,974,280	$ 4,028,855	$ 11,441,269	$ 17,444,404
Assets available to pay claims at June 30, 2025				$ 38,781,738

NOTE 13 – ADJUSTMENT FOR RESTATEMENT

During the year, the District made the following restatement:

	Statement of Activities
Net Position - July 1, 2024, as originally stated	$ 372,982,419
Adjustments due to implementation of GASB Statement No.101	(30,372,271)
Net Position - July 1, 2024, as restated	$ 342,610,148

NOTE 14 – SUBSEQUENT EVENTS

Election of 2016, Series D
On September 18, 2025, the District issued $40 million of Series D Bonds. The bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 8, 2016, which authorized a total of $392 million principal amount of general obligation bonds, and to pay costs of issuance.

2025 General Obligation Refunding Bonds
On September 18, 2025, the District issued $65,670,000 of 2025 General Obligation Refunding Bonds. The bonds will be used to refund all or a portion of the District's outstanding 2015 General Obligation Refunding Bonds and to advance refund all or a portion of the District's outstanding 2016 General Obligation Refunding Bonds, and to pay costs of issuance.

(This page intentionally left blank)

Required Supplementary Information

(This page intentionally left blank)

RIVERSIDE UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 538,628,352	$ 584,027,805	$ 539,529,734	$ (44,498,071)
Federal	42,239,185	43,191,794	39,477,615	(3,714,179)
Other State	135,963,560	147,815,711	147,039,683	(776,028)
Other Local	18,675,548	37,110,888	45,384,979	8,274,091
Total Revenues	735,506,645	812,146,198	771,432,011	(40,714,187)
Expenditures				
Current:				
Certificated Salaries	295,638,539	334,775,047	298,049,342	36,725,705
Classified Salaries	112,641,568	113,543,171	115,253,131	(1,709,960)
Employee Benefits	190,512,040	198,094,028	187,205,656	10,888,372
Books and Supplies	53,397,839	50,572,719	41,270,546	9,302,173
Services and Other Operating Expenditures	87,338,593	103,067,818	95,610,573	7,457,245
Transfers of indirect costs	(1,679,454)	(1,852,452)	(1,808,570)	(43,882)
Capital Outlay	31,798,355	38,212,067	31,955,564	6,256,503
Other Outgo	205,681	451,948	1,283,369	(831,421)
Total Expenditures	769,853,161	836,864,346	768,819,611	68,044,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,346,516)	(24,718,148)	2,612,400	27,330,548
Other Financing Sources and Uses				
Interfund Transfers In	-	-	1,381,454	1,381,454
Total Other Financing Sources and Uses	-	-	1,381,454	1,381,454
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(34,346,516)	(24,718,148)	3,993,854	28,712,002
Fund Balance, July 1, 2024	320,029,128	369,134,617	369,134,617	-
Fund Balance, June 30, 2025	$ 285,682,612	$ 344,416,469	$ 373,128,471	$ 28,712,002

See accompanying notes to required supplementary information.

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year **Measurement Period**	**2024-25** **2023-24**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**
District's proportion of the net pension liability	0.4176%	0.4206%	0.3967%	0.4115%	0.3961%
District's proportionate share of the net pension liability	$ 280,449,935	$ 320,300,021	$ 275,657,542	$ 187,255,278	$ 383,866,240
State's proportionate share of the net pension liability associated with the District	128,671,395	153,464,747	138,048,219	94,219,593	130,572,102
Totals	$ 409,121,330	$ 473,764,768	$ 413,705,761	$ 281,474,871	$ 514,438,342
District's covered-employee payroll	$ 284,256,801	$ 259,135,500	$ 231,636,057	$ 229,448,334	$ 218,833,211
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.66%	123.60%	119.00%	81.61%	175.41%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

Employer's Fiscal Year **Measurement Period**	**2019-20** **2018-19**	**2018-19** **2017-18**	**2017-18** **2016-17**	**2016-17** **2015-16**	**2015-16** **2014-15**
District's proportion of the net pension liability	0.4163%	0.4193%	0.4118%	0.4030%	0.3980%
District's proportionate share of the net pension liability	$ 375,940,350	$ 385,336,064	$ 380,853,493	$ 325,950,430	$ 267,949,520
State's proportionate share of the net pension liability associated with the District	132,703,184	220,622,918	225,309,709	185,585,085	141,715,378
Totals	$ 508,643,534	$ 605,958,982	$ 606,163,202	$ 511,535,515	$ 409,664,898
District's covered-employee payroll	$ 228,108,477	$ 225,925,038	$ 220,000,906	$ 203,826,337	$ 184,818,401
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.81%	170.56%	173.11%	159.92%	144.98%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

See accompanying notes to required supplementary information.

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year **Measurement Period**	**2024-25** **2023-24**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**
District's proportion of the net pension liability	0.5324%	0.5289%	0.4957%	0.5063%	0.5006%
District's proportionate share of the net pension liability	$ 190,278,911	$ 191,458,597	$ 170,569,588	$ 102,961,454	$ 153,590,274
District's covered-employee payroll	$ 107,996,540	$ 92,796,488	$ 76,851,087	$ 72,288,614	$ 72,544,191
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.19%	206.32%	221.95%	142.43%	211.72%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	70%	70%

Employer's Fiscal Year **Measurement Period**	**2019-20** **2018-19**	**2018-19** **2017-18**	**2017-18** **2016-17**	**2016-17** **2015-16**	**2015-16** **2014-15**
District's proportion of the net pension liability	0.5439%	0.5578%	0.5506%	0.5092%	0.4901%
District's proportionate share of the net pension liability	$ 158,524,326	$ 148,732,216	$ 131,440,402	$ 100,567,315	$ 72,241,224
District's covered-employee payroll	$ 75,644,508	$ 74,012,633	$ 70,221,774	$ 61,123,972	$ 54,339,648
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	209.56%	200.96%	187.18%	164.53%	132.94%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalSTRS

For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually required contribution	$ 55,811,927	$ 54,293,049	$ 49,494,881	$ 39,192,821	$ 37,055,906
Contributions in relation to the contractually required contribution	55,811,927	54,293,049	49,494,881	39,192,821	37,055,906
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 292,209,044	$ 284,256,801	$ 259,135,500	$ 231,636,057	$ 229,448,334
Contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

Employer's Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually required contribution	$ 37,420,479	$ 37,136,060	$ 32,600,983	$ 27,676,114	$ 21,870,566
Contributions in relation to the contractually required contribution	37,420,479	37,136,060	32,600,983	27,676,114	21,870,566
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 218,833,211	$ 228,108,477	$ 225,925,038	$ 220,000,906	$ 203,826,337
Contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

Employer's Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually required contribution	$ 31,388,080	$ 28,813,477	$ 23,542,469	$ 17,606,584	$ 14,963,743
Contributions in relation to the contractually required contribution	31,388,080	28,813,477	23,542,469	17,606,584	14,963,743
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 116,037,264	$ 107,996,540	$ 92,796,488	$ 76,851,087	$ 72,288,614
Contributions as a percentage of covered-employee payroll	27.050%	26.680%	25.370%	22.910%	20.700%

Employer's Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually required contribution	$ 14,306,440	$ 13,662,911	$ 11,494,902	$ 9,752,400	$ 7,241,357
Contributions in relation to the contractually required contribution	14,306,440	13,662,911	11,494,902	9,752,400	7,241,357
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 72,544,191	$ 75,644,508	$ 74,012,633	$ 70,221,774	$ 61,123,972
Contributions as a percentage of covered-employee payroll	19.721%	18.062%	15.531%	13.888%	11.847%

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2025

*Last Ten Fiscal Years**

Employer Fiscal Year End Measurement Period	2024-25 2023-24	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17
Total OPEB liability								
Service cost	$ 2,919,743	$ 2,989,737	$ 2,135,730	$ 2,119,993	$ 2,108,053	$ 3,184,349	$ 3,226,771	$ 3,148,069
Interest	4,509,301	3,964,001	4,667,429	4,497,731	4,423,775	2,556,643	2,491,952	2,378,137
Changes of benefit terms	-	-	-	-	-	-	-	329,461
Differences between expected and actual experience	(4,970,044)	1,637,053	(4,258,250)	(3,011,488)	(3,241,829)	12,706,734	(1,879,271)	-
Changes of assumptions or other inputs	3,913,064	(3,345,829)	10,857,505	787,661	34,934	(18,093,171)	(381,241)	-
Benefit payments	(1,996,181)	(2,930,188)	(2,307,656)	(1,604,577)	(2,903,840)	(2,722,586)	(2,812,372)	(2,936,140)
Net change in total OPEB liability	4,375,883	2,314,774	11,094,758	2,789,320	421,093	(2,368,031)	645,839	2,919,527
Total OPEB liability - beginning	80,052,279	77,737,505	66,642,747	63,853,427	63,432,334	65,800,365	65,154,526	62,234,999
Total OPEB liability - ending	$ 84,428,162	$ 80,052,279	$ 77,737,505	$ 66,642,747	$ 63,853,427	$ 63,432,334	$ 65,800,365	$ 65,154,526
Plan fiduciary net position								
Contributions - employer	$ 5,996,181	$ 2,930,188	$ 2,307,656	$ 1,604,577	$ 2,903,840	$ 2,722,586	$ 2,812,372	$ 22,936,140
Net investment income	3,329,240	1,757,135	(5,230,513)	5,352,281	1,089,414	1,107,458	1,076,854	773,214
Benefit payments	(1,996,181)	(2,930,188)	(2,307,656)	(1,604,577)	(2,903,840)	(2,722,586)	(2,812,372)	(2,936,140)
Administrative expense	(154,747)	(137,891)	(153,144)	(146,834)	(134,438)	(81,814)	(171,885)	(65,409)
Net change in plan fiduciary net position	7,174,493	1,619,244	(5,383,657)	5,205,447	954,976	1,025,644	904,969	20,707,805
Plan fiduciary net position - beginning	25,034,428	23,415,184	28,798,841	23,593,394	22,638,418	21,612,774	20,707,805	-
Plan fiduciary net position - ending	$ 32,208,921	$ 25,034,428	$ 23,415,184	$ 28,798,841	$ 23,593,394	$ 22,638,418	$ 21,612,774	$ 20,707,805
District's net OPEB liability (asset) - ending	$ 52,219,241	$ 55,017,851	$ 54,322,321	$ 37,843,906	$ 40,260,033	$ 40,793,916	$ 44,187,591	$ 44,446,721
Plan fiduciary net position as a percentage of the total OPEB liability	38.15%	31.27%	30.12%	43.21%	36.95%	35.69%	32.85%	31.78%
Covered-employee payroll	$ 374,449,622	$ 335,003,156	$ 293,397,351	$ 290,340,104	$ 284,080,304	$ 292,726,527	$ 297,764,093	$ 273,898,274
Net OPEB liability as a percentage of covered-employee payroll	13.95%	16.42%	18.51%	13.03%	14.17%	13.94%	14.84%	16.23%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

RIVERSIDE UNIFIED SCHOOL DISTRICT
Schedule of the OPEB Contributions
For the Fiscal Year Ended June 30, 2025

*Last Ten Fiscal Years**

Employer Fiscal Year End	**2024-25**	**2023-24**	**2022-23**	**2021-22**
Measurement Period	**2023-24**	**2022-23**	**2021-22**	**2020-21**
Actuarially determined contribution	$ 4,390,181	$ 4,105,904	$ 4,688,224	$ 4,925,002
Contributions in relation to the actuarially determined contribution	5,996,181	2,930,188	2,307,656	1,604,577
Contribution deficiency (excess)	$ (1,606,000)	$ 1,175,716	$ 2,380,568	$ 3,320,425
Covered-employee payroll	$ 374,449,622	$ 335,003,156	$ 293,397,351	$ 290,340,104
Contributions as a percentage of covered-employee payroll	1.60%	0.87%	0.79%	0.55%

Employer Fiscal Year End	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Measurement Period	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Actuarially determined contribution	$ 4,827,028	$ 3,043,646	$ 3,045,364	$ 2,936,140
Contributions in relation to the actuarially determined contribution	2,903,840	2,722,586	2,812,372	22,936,140
Contribution deficiency (excess)	$ 1,923,188	$ 321,060	$ 232,992	$ (20,000,000)
Covered-employee payroll	$ 284,080,304	$ 292,726,527	$ 297,764,093	$ 273,898,274
Contributions as a percentage of covered-employee payroll	1.02%	0.93%	0.94%	8.37%

** This schedule is required to show information for ten years; however, until a full ten-year trend is compiled, information is presented for those years for which information is available.*

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
For the Fiscal Year Ended June 30, 2025

*Last Ten Fiscal Years**

Employer Fiscal Year End **Measurement Period**	**2024-25** **2023-24**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**
District's proportion of net OPEB liability	0.6091%	0.6221%	0.5954%	0.6185%
District's proportionate share of net OPEB liability	$ 1,623,669	$ 1,887,551	$ 1,961,247	$ 2,467,043
Covered-employee payroll	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.94%)	(0.94%)	(0.80%)

Employer Fiscal Year End **Measurement Period**	**2020-21** **2019-20**	**2019-20** **2018-19**	**2018-19** **2017-18**	**2017-18** **2016-17**
District's proportion of net OPEB liability	0.6849%	0.6433%	0.6593%	0.6555%
District's proportionate share of net OPEB liability	$ 2,902,461	$ 2,395,779	$ 2,523,664	$ 2,757,544
Covered-employee payroll	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	0.40%	0.01%

** This schedule is required to show information for ten years; however, until a full ten-year trend is compiled, information is presented for those years for which information is available.*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule
The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the District's Proportionate Share of the Net Pension Liability
This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

Change in benefit terms – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Change of assumptions – There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

Schedule of Pension Contributions
This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The investment rate of return was unchanged from 5.50 percent since the previous valuation.

Schedule of OPEB Contributions
This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented. As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore, the covered payroll disclosure is not applicable.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 3.65 percent to 3.93 percent since the previous valuation.

Supplementary Information

(This page intentionally left blank)

RIVERSIDE UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2025

	As Reported to CDE	
	Second Period Report	Annual Report
Regular ADA & Extended Year:		
Grades TK-3	10,754.45	10,774.05
Grades 4-6	7,903.57	7,910.84
Grades 7-8	5,568.98	5,572.20
Grades 9-12	11,257.58	11,197.07
Total Regular ADA	35,484.58	35,454.16
Special Education, Nonpublic, Nonsectarian Schools:		
Grades TK-3	4.31	4.04
Grades 4-6	5.65	5.37
Grades 7-8	6.65	6.02
Grades 9-12	16.16	14.68
Total Special Education, Nonpublic, Nonsectarian Schools ADA	32.77	30.11
Total ADA	35,517.35	35,484.27

RIVERSIDE UNIFIED SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2025

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	51,045	181	Complied
Grade 1	50,400	51,045	181	Complied
Grade 2	50,400	51,045	181	Complied
Grade 3	50,400	51,045	181	Complied
Grade 4	54,000	54,054	181	Complied
Grade 5	54,000	54,054	181	Complied
Grade 6	54,000	54,054	181	Complied
Grade 7	54,000	56,820	180	Complied
Grade 8	54,000	56,870	180	Complied
Grade 9	64,800	64,825	181	Complied
Grade 10	64,800	64,825	181	Complied
Grade 11	64,800	64,825	181	Complied
Grade 12	64,800	64,825	181	Complied

RIVERSIDE UNIFIED SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2025

General Fund	(Budget) 2026 [2]	2025	2024	2023
Revenues and other financing sources	$ 733,511,806	$ 772,813,465	$ 772,747,507	$ 793,585,818
Expenditures and other financing uses	799,211,134	768,819,611	721,580,526	665,887,481
Change in fund balance (deficit)	(65,699,328)	3,993,854	51,166,981	127,698,337
Ending fund balance	$ 307,429,143	$ 373,128,471	$ 369,134,617	$ 317,967,636
Available reserves [1]	$ 31,468,015	$ 30,752,057	$ 28,834,648	$ 26,384,554
Available reserves as a percentage of total outgo	3.9%	4.0%	4.0%	4.0%
Total long-term debt	$ 947,174,549	$ 971,887,897	$ 1,041,947,003	$ 968,501,228
Average daily attendance at P-2	34,945	35,517	36,337	36,394

The General Fund balance has increased by $55.2 million over the past two years. The fiscal year 2025-26 adopted budget projects a decrease of $65.7 million. For a district of this size, the state recommends available reserves of at least 2% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in none of the past three years but anticipates incurring an operating deficit during the 2025-26 fiscal year. Long-term debt has increased by $3.4 million over the past two years.

ADA decreased by 877 compared to 2022-23. Budgeted ADA projects a decrease of 572 for 2025-26.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised budget September, 2025.

RIVERSIDE UNIFIED SCHOOL DISTRICT

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2025

There were no differences between the Annual Financial and Budget Report and the Audited Financial Statements in any funds.

RIVERSIDE UNIFIED SCHOOL DISTRICT
Schedule of Charter Schools
For the Fiscal Year Ended June 30, 2025

Charter School		
Name	Number	Inclusion in Financial Statements
REACH Leadership STEAM Academy	1409	Not included

RIVERSIDE UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Sub-total Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Especially Needy	10.553	13526	$ 3,125,947	
National School Lunch Program	10.555	13523	13,681,479	
Local Food for Schools	10.555	15708	133,391	
USDA Donated Foods	10.555	N/A	2,620,300	
Fresh Fruit and Vegetable Program	10.582	14968	63,844	
Total Child Nutrition Cluster				$ 19,624,961
Passed through California Dept. of Social Services (CDSS):				
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	4,023,957	
Cash in Lieu of Commodities	10.558	N/A	254,867	
Total Child and Adult Care Food Program				4,278,824
Total U.S. Department of Agriculture				23,903,785
U.S. Department of Defense:				
Junior Reserve Officers' Training Corps	12.000	N/A		287,604
Total U.S. Department of Defense				287,604
National Science Foundation				
Air Monitoring Grant	47.076	N/A		318,960
Total National Science Foundation				318,960
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Adult Basic Education and ESL	84.002A	14508	478,667	
Adult Secondary Education	84.002	13978	411,427	
Total Adult Education - State Grants				890,094
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329		12,475,015
Title II, Part A, Supporting Effective Instruction	84.367	14341		2,511,036
Title III, Limited English Proficiency	84.365	14346		989,131
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		878,559
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332		104,060
Carl D. Perkins Career and Technical Education: Adult, Sec. 132	84.048	14893		332,142
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	10,692,127	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss Mitigation	84.425U	10155	20,695	
COVID CARES Act Supplemental Meal Reimbursement	84.425U	15535	3,861	
Subtotal Education Stabilization Fund				10,716,683
Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	8,456,620	
IDEA Preschool Staff Development, Part B, Sec 619	84.027A	13431	20,268	
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	187,276	
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	1,586	
IDEA Early Invention Grants	84.181	23761	134,487	
Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	15,157	
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	459,387	
Total Special Education (IDEA) Cluster				9,274,781
Passed through California Dept. of Rehabilitation (CDE):				
Workability II, Transition Partnership - We Can Work	84.126A	10006		81,686
Total U.S. Department of Education				38,253,187
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education (CDE):				
Head Start Cluster:				
Head Start	93.600	10016	1,435,283	
Early Head Start- Child Care Partnership Grant Program	93.600	01039	92,142	
Total Head Start Cluster				1,527,425
COVID-19: ARP California State Preschool Program - Rate Supplements Cluster	93.575	15641		6,525
Total U.S. Department of Health & Human Services				1,533,950
Total Expenditures of Federal Awards				$ 64,297,486

Of the federal expenditures presented in the schedule, the District provided no awards to sub-recipients.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)
Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time
This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis
This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Schedule of Charter Schools
This schedule lists all charter schools chartered by the District, and displays information for each charter school and whether or not the charter school is included in the District audit.

Schedule of Expenditures of Federal Awards
The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 64,893,996
Differences between Federal Revenues and Expenditures:		
Junior Reserve Officers' Training Corps	12.000	19,467
Child Nutrition Cluster	10.553/10.555	(615,977)
Total Schedule of Expenditures of Federal Awards		$ 64,297,486

(This page intentionally left blank)

Other Information

RIVERSIDE UNIFIED SCHOOL DISTRICT

Local Educational Agency Organization Structure
For the Fiscal Year Ended June 30, 2025

The 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 County. The District was established in 1963 through the unification of the Riverside City School District and Riverside City High School District. During the year, the District operated 29 elementary schools, 7 middle schools, 5 high schools, and 9 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 there were no changes to the District's boundaries.

BOARD OF EDUCATION

Member	Office	Term Expires
Brent Lee	President	2026
Dr. Noemi Hernandez Alexander	Vice President	2026
Dr. Jesse Tweed	Clerk	2028
Dale Kinnear	Member	2028
Amanda Vickers	Member	2028

ADMINISTRATION

Renee Hill,[1]
Superintendent

Timothy Walker,
Deputy Superintendent

Erin Power,
Assistant Superintendent, Business Services

Kyley Ybarra,
Assistant Superintendent, Personnel, Leadership and Development

Dr. Daniel J. Sosa,
Assistant Superintendent, Curriculum and Instruction, K-12

Orin Williams,
Assistant Superintendent, Facilities Planning and Development

Dr. Jacqueline Perez,
Assistant Superintendent, Equity, Access & Community Engagement

[1] Retired. Effective July 1, 2025, the new Superintendent is Dr. Sonia Llamas.

Other Independent Auditors' Reports

(This page intentionally left blank)

NIGRO & NIGRO PC

A Professional Accountancy Corporation

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

Board of Education
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 the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Unified School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2025.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

Elizabeth Nigro, CPA | Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

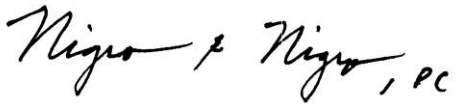
MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

Report on Compliance and Other Matters

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

Purpose of this Report

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



Murrieta, California
December 4, 2025

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Riverside Unified School District
Riverside, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Riverside Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Riverside Unified School District's major federal programs for the year ended June 30, 2025. The Riverside Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Riverside Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

Elizabeth Nigro, CPA | Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • Licensed by the California Board of Accountancy

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Riverside Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Riverside Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Riverside Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as Finding 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Riverside Unified School District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Riverside Unified School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

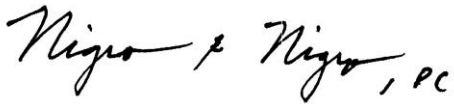
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance. Accordingly, we express no opinion on the response.

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



Murrieta, California
December 4, 2025

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Riverside Unified School District
Riverside, California

Report on Compliance

Opinion
We have audited the Riverside Unified School District's (District) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Riverside Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Elizabeth Nigro, CPA | Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • Licensed by the California Board of Accountancy

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study*	No*
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Yes
Home to School Transportation Reimbursement	Yes

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

*We did not perform testing for independent study because the ADA was below the level that requires testing.

Areas marked as "Not Applicable" were not operated by the District.

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

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying schedule of findings and questioned costs as Finding 2025-002. Our opinion on each state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 4, 2025

Schedule of Findings and Questioned Costs

(This page intentionally left blank)

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	Yes

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
10.553, 10.555 & 10.582	Child Nutrition Cluster
84.367	Title II

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,928,925
Auditee qualified as low-risk auditee?	Yes

State Awards

Type of auditors' report issued on compliance for state programs:	Unmodified

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no financial statement findings in 2024-25.

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

Finding 2025-001: Procurement (50000)

Program Name: Child Nutrition Cluster
Assistance Listing # 10.553, 10.555, 10.582 – U.S. Department of Agriculture
Pass-Through Entity: California Department of Education

Repeat Finding? No

Criteria: Code of Federal Regulations**,** CFR 200.318-322, requires the non-Federal entity to have and use documented procurement procedures consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for the acquisition of property or services required under a Federal award or sub-award. For "formal purchases," those where the aggregate dollar amount is higher than the simplified acquisition threshold, sealed bids are publicly solicited through an invitation and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation and is the lowest in price.

Condition: During our testing, we noted one contract that did not include documentation demonstrating that competitive bids were obtained. Additionally, there was no evidence that due diligence was performed to substantiate the vendor's designation as a sole source, nor was there documentation indicating that no other vendors could meet the district's needs.

Context: The matter was found in one of the two samples we reviewed.

Questioned Cost: There is no questioned cost associated with this non-compliance.

Cause: District relied on a letter from the vendor, believing that this was a sole source.

Effect: This resulted in one contract totaling $632,765 being awarded without competitive bidding documentation.

Recommendation: We recommend that the District comply with 2 CFR, section 200.318-322, which requires that an LEA maintain the documented procedures for procurement transactions under a federal award.

Views of Responsible Officials: We agree with the auditor's comments, and the following actions have or will be taken to ensure the procurement of goods and services for the nutrition services department follows all applicable steps according to Title 2, *Code of Federal Regulations* (2 CFR) sections 200.317-200.327; Title7, *Code of Federal Regulations* (7 CFR), parts 210 and 220; and all applicable state and local rules:

1. During the school year 2024/2025, changes were made to staff to allow for additional oversight. A Procurement Specialist reporting directly to the Director of Purchasing was added to staff in lieu of a Buyer that had previously reported to the Director of Nutrition Services. This move allowed for an additional step to ensure proper procurement is happening.

2. All purchasing methods, including Micropurchase, Simplified Acquisition, and Formal, will be followed in accordance with all applicable regulations, in line with RUSD's written procurement procedures.

Finding 2025-001: Procurement (50000) (continued)

Views of Responsible Officials (continued):

3. Any noncompetitive procurement will only occur if the conditions outlined in applicable regulations are met and sufficient evidence and documentation is received and retained, including participating in performing due diligence to ascertain whether a single source document is accurate from any given vendor.

4. In addition, documented annual training will take place for all staff involved in the procurement process. This procedure includes a review and annual update of procurement procedures, if applicable, and an acknowledgement of the nutrition services code of conduct in regards to purchasing.

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding 2025-002: School Accountability Report Card (72000)

Repeat Finding? No

Criteria: In accordance with Education Code §33126, each school is to provide an accountability report card to include safety, cleanliness, and adequacy of school facilities, to include any needed maintenance to ensure good repair. The condition reported should be supported by the school's Facilities Inspection Tool (FIT), School Facilities Condition Evaluation as required by Ed Code §17002. In addition, according to Education Code §35256, the governing board must publish the School Accountability Report Card (SARC) for each school by February 1 of each year.

Condition: It was noted that the School Facility Repair Status on the SARC for Raincross High School did not match the Facilities Inspection Tool reported status. For the areas of interior, electrical and safety all were marked as fair on the SARC and subsequently marked as good on the FIT form.

Context: This finding was only noted at one school out of eleven tested.

Cause: The discrepancy was overlooked by District staff.

Effect: None

Recommendation: We recommend that an employee verify the information presented in the SARC. This information is essential to present the required information about the school fairly to the public.

Views of Responsible Officials: We agree with the auditor's comments, and the following actions will be taken to ensure that the School Facility Repair Status on the SARC matches the Facilities Inspection Tool reported:

For context, each year, the RAE Department collects the FIT reports from M&O and sends them to Document Tracking Services for upload to the School Accountability Report Cards (SARCs). Document Tracking Services is a vendor the district has used to manage school plans and SARCs.

Upon reviewing the information in the finding, it was discovered that the updates to the FIT reports in the 2024-25 SARCs were not made due to the naming convention used. The site name on the FIT report provided by M&O was EOC, but Document Tracking Services lists the sites as Opportunity, Raincross, and Summit View Independent Study because each site has its own SARC. When the report from M&O was transferred to Document Tracking Services, the RAE Department received no notification that the upload failed. Instead, the FIT report data was carried over from previous years for Opportunity, Raincross, and Summit View Independent Study.

To prevent this issue from recurring, two actions are recommended.

- M&O team to duplicate the FIT report for EOC and create three separate reports named Opportunity, Raincross, and Summit View Independent Study.
- The RAE Department will discontinue the use of Document Tracking Services and use the new School Accountability Report Card Web Application that has been released by the California Department of Education (CDE). The team will also use internal data validation procedures to ensure the information is transferred correctly to the new web application.

RIVERSIDE UNIFIED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2025

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2024-001: ACH Fraud	The accounts payable function in an LEA is intended to ensure that invoices for purchases of goods and services are paid in the proper amounts. Controls should be established to help prevent LEAs from being victimized by cyberattacks or other types of cybercrime. During the fiscal year, the District discovered that a cyber-criminal impersonated a legitimate vendor and convinced the District to send payments that were due to the vendor to an account controlled by the criminal instead.	30000	The District has already established improved controls to safeguard against ACH fraud in the future. Another control is to directly contact a known representative for each vendor whenever a request is made through e-mail.	Implemented.
Finding 2024-002: Immunizations	Title 17, California Code of Regulations section 6025 requires that that each kindergarten pupil have two doses of a varicella vaccine and two doses of a measles vaccine prior to admission or have a current medical exemption from varicella and measles immunization on file. One kindergarten student was found that did not have the required two doses of varicella vaccine and two doses of measles vaccine prior to admission. Student was admitted to Longfellow ES and started claiming ADA on 8/14/2023. We verified with the student's immunization record that student did not receive their first dose of both varicella and measles vaccine until 1/25/2024. We then verified that the second dose was not received until 9/13/2024, which is more than four months after the first dose was given.	40000	The District needs to assign appropriate staff familiar with the immunization requirements to ensure that every student in kindergarten meets all of the requirements prior to enrolling.	Implemented.