

RIVERSIDE UNIFIED SCHOOL DISTRICT

RIVERSIDE COUNTY
RIVERSIDE, CALIFORNIA

ANNUAL FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT

JUNE 30, 2021

JLG
Jeanette L. Garcia & Associates
CERTIFIED PUBLIC ACCOUNTANT

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Financial Section



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Riverside Unified School District
Riverside, California

Report on the Financial Statements

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 year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Riverside Unified School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Jeanette L. Garcia,
CPA

Member:

American
Institute of
Certified Public
Accountants

California
Society of
Certified Public
Accountants

Opinions

In our opinion, the 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, General Fund Budgetary Comparison Schedule on page 59, Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 60, Schedule of OPEB Contributions on page 61, Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program on Page 62 and Schedules of the District's Proportionate Share of Net Pension Liability and Contributions on pages 63 through 66 be presented to supplement the basic financial statements. Such information, 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.

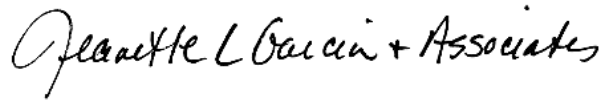
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverside Unified School District's basic financial statements. The combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying other supplemental information is presented for purposes of additional analysis as required by the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 combining and individual nonmajor fund financial statements, other supplementary information, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of Riverside Unified School 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 Riverside Unified School 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 Riverside Unified School District's internal control over financial reporting and compliance.

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

San Bernardino, California
January 31, 2022

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

INTRODUCTION

The Management's Discussion and Analysis of Riverside Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of the analysis is to look at the District's financial performance as a whole; readers should also review the auditor's letter, notes to the basic financial statements and the basic government-wide financial statements to enhance their understanding of the District's financial performance.

With schools dating back to the 1870s, the award-winning Riverside Unified School District (RUSD) is now the 16th largest school district in California. RUSD educates approximately 40,000 students across 50 schools in Riverside. The District serves a large portion of Riverside as well as the unincorporated areas of Highgrove and Woodcrest. RUSD is led by its 12th Superintendent, Ms. Renee Hill and is governed by a Board of Education comprised of publicly elected officials who serve five different trustee areas.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

- This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Riverside Unified School District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.
- The "Statement of Net Position" and "Statement of Activities" provide information about the activities of the whole district, presenting both an aggregate view of the District's finances and a longer-term view of those finances. "Fund Financial Statements" provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all special revenue funds and other nonmajor funds.
- The major funds for Riverside Unified School District are the General Fund and the Building Fund.
- The Management's Discussion and Analysis is provided to assist our citizens, taxpayers and investors in reviewing the District's finances.

FINANCIAL HIGHLIGHTS

- The Riverside Unified School District's Government-Wide Statement of Net Position shows Total Net Position of \$197,397,395, the result of assets and deferred outflows of resources of \$1,306,926,585, less liabilities and deferred inflows of resources of \$1,109,529,190.
- The District implemented GASB Statement No. 68, which requires the District to report its proportionate share of the Net Pension Liabilities of CalPERS and CalSTRS. At June 30, 2021, the District's proportionate share of the Net Pension Liabilities was \$537,456,514.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

- The District implemented GASB Statement No. 75, which requires the District to report the Net OPEB liability. At June 30, 2021, the District's Net OPEB liability was \$43,162,494.
- General revenues accounted for \$475,496,910 in revenue or 71% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$194,868,087 or 29% of total revenues of \$670,364,997.
- The District had \$597,369,066 in expenses related to governmental activities; \$194,868,087 of these expenses were offset by program specific revenues in the form of charges for services, grants and contributions. General revenues (primarily unrestricted federal and state aid and property taxes) of \$475,496,910 provided a change in Net Position of \$72,995,931.
- The General Fund reported a positive fund balance of \$126,852,336.

REPORTING THE DISTRICT AS A WHOLE

▪ THE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" "The Statement of Net Position" and "The Statement of Activities" report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. However, the Riverside Unified School District's goal is to provide services to our students, not to generate profits as commercial entities do. The reader will need to consider other non-financial factors as well as factors such as property tax base, current property tax laws, student enrollment growth and facility conditions in arriving at their conclusion regarding the overall health of the District.

In the "Statement of Net Position" and the "Statement of Activities," the District is divided into two distinct kinds of activities:

- Governmental Activities – Most of the District's programs and services are reported here, including instruction, pupil services including transportation and food services, administration, plant services, facilities acquisition and construction, interest on the long-term debt and other services.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. Riverside Unified School District does not have any of these types of activities at this time.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

▪ FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and for compliance with various grant provisions.

▪ GOVERNMENTAL FUNDS

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting. Governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements. Governmental funds include most of the primary funds of the District.

▪ 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. The Internal Service Fund statements provide more detail and additional information, such as cash flow. The District uses the internal service fund to report activities that relate to the District's self-insured program for health insurance, workers' compensation claims and liability and property losses.

▪ FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. 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 uses an agency fund to account for resources held for others.

All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The Riverside Unified School District is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

▪ NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

▪ THE DISTRICT AS A WHOLE

The “Statement of Net Position” provides the perspective of the District as a whole.

Table 1 provides a summary of the District’s net position for fiscal years 2020-21 and 2019-20.

Table 1 - Net Position

	Governmental Activities		%
	2021	2020*	
Current and Other Assets	\$ 458,271,317	\$ 454,277,586	0.9
Capital Assets	694,299,343	627,341,042	10.7
Total Assets	<u>1,152,570,660</u>	<u>1,081,618,628</u>	6.6
Deferred Outflows Of Resources	<u>154,355,925</u>	<u>168,667,575</u>	(8.5)
Current Liabilities	102,240,718	80,047,187	27.7
Long-Term Debt	441,609,116	467,509,495	(5.5)
Net Pension Liability	<u>537,456,514</u>	<u>534,464,676</u>	0.6
Total Liabilities	<u>1,081,306,348</u>	<u>1,082,021,358</u>	(0.1)
Deferred Inflows of Resources	<u>28,222,842</u>	<u>43,863,380</u>	(35.7)
Net Position			
Net Investment in Capital Assets	313,890,417	223,685,451	40.3
Restricted	268,769,025	336,442,921	(20.1)
Unrestricted	<u>(385,262,047)</u>	<u>(435,726,908)</u>	11.6
Total Net Position	<u>\$ 197,397,395</u>	<u>\$ 124,401,464</u>	58.7

*Restated

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

Table 2 shows the changes in net position for fiscal years 2020-21 and 2019-20.

Table 2 - Changes in Net Position

	Governmental Activities		% Change
	2021	2020	
Revenues			
<i>Program Revenues:</i>			
Charges for Services	\$ 8,865,718	\$ 7,327,972	21.0
Operating Grants and Contributions	186,002,369	115,950,145	60.4
Capital Grants and Contributions	-	61,473	
<i>General Revenues:</i>			
Unrestricted Federal and State Sources	310,200,485	310,721,717	(0.2)
Property Taxes	155,016,167	138,026,881	12.3
Other General Revenues	10,280,258	9,404,185	9.3
Total Revenues	<u>670,364,997</u>	<u>581,492,373</u>	15.3
Expenses			
Instruction	417,348,607	419,438,211	(0.5)
Pupil Services	67,477,433	70,423,948	(4.2)
Administration	27,319,310	24,733,383	10.5
Maintenance and Operations	59,295,249	50,178,234	18.2
Other	25,928,467	19,338,861	34.1
Total Expenses	<u>597,369,066</u>	<u>584,112,637</u>	2.3
Change in Net Position	<u>\$ 72,995,931</u>	<u>\$ (2,620,264)</u>	2,855.0

▪ GOVERNMENTAL ACTIVITIES

Charges for services and operating grants and contributions made up 29% of revenues for governmental activities. General revenues not restricted to specific programs made up 71% of the total revenues available.

Instruction-related activities made up 70% of expenses. Pupil services including home-to-school transportation and food services made up 11%. Administration including data processing made up 5%. Maintenance and operations made up 10% and other miscellaneous made up 4%.

The "Statement of Activities" shows the cost of program services and the charges for services and grants offsetting those services.

**RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021**

Table 3 shows the total cost of services and the net cost of services for fiscal years 2020-21 and 2019-20. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3 - Total and Net Cost of Governmental Activity

	Total Cost			
	2021	%	2020	%
Instruction	\$ 417,348,607	70	\$ 419,438,211	72
Pupil Services	67,477,433	11	70,423,948	12
Administration	27,319,310	5	24,733,383	4
Maintenance and Operations	59,295,249	10	50,178,234	9
Other	25,928,467	4	19,338,861	3
Total	\$ 597,369,066	100	\$ 584,112,637	100
	Net Cost			
	2021	%	2020	%
Instruction	\$ 285,521,007	71	\$ 335,786,770	73
Pupil Services	33,314,041	8	44,236,324	10
Administration	22,332,384	6	21,640,710	5
Maintenance and Operations	46,863,812	12	42,585,100	9
Other	14,469,735	3	16,524,143	3
Total	\$ 402,500,979	100	\$ 460,773,047	100

GENERAL FUND BUDGET INFORMATION

The District's budget is prepared in accordance with California law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District begins the budget process in January of each year. By law, the Governing Board must adopt a Final Budget by July 1. A public hearing is held and the board adopts the Budget in late June. During the course of the fiscal year, the District revises its budget as it deals with changes in revenues and expenditures. Adjustments made to the budget include revisions at First Interim, which is normally presented in December, and Second Interim, which is normally presented in March, at which time the budgets are presented for approval.

▪ **GENERAL FUND BUDGET VARIATIONS**

For the General Fund, actual revenues were \$583,674,165 with final budget estimated at \$686,973,644. The difference of \$(103,299,479) is due to changes in revenue recognition as dictated by the California Department of Education for various COVID response funds.

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

There are several reasons for expenditure budget revisions. Most notable is “rebudgeting” of budgeted but unspent dollars from previous years. The original budget does not presume negotiated salary increases. Also, any changes in the number of staff and/or staff utilization of health and welfare benefits that vary from the original projections would also require budget revisions.

The implementation of new instructional programs can also affect budget projections. New academically focused programs will impact expenditures in personnel, instructional materials, outside services and supplies.

▪ CAPITAL ASSETS AND DEBT ADMINISTRATION

• CAPITAL ASSETS

At the end of the fiscal year 2020-21, the District had \$694,299,343 invested in land, buildings, furniture and equipment. Table 4 shows fiscal year 2020-21 and 2019-20 balances.

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

	Governmental Activities	
	2021	2020
Land	\$ 46,041,909	\$ 46,041,909
Buildings and Site Improvements	467,065,486	468,878,062
Furniture and Equipment	1,000,915	3,729,032
Work In Progress	180,191,033	108,692,039
Total	<u>\$ 694,299,343</u>	<u>\$ 627,341,042</u>

• DEBT

At June 30, 2021, the Riverside Unified School District had \$979,065,630 in debt outstanding. Table 5 summarizes these debts.

Table 5 - Outstanding Debt at Year-End

	Governmental Activities	
	2021	2020
General Obligation Bonds	\$ 366,568,000	\$ 388,914,382
Certificates of Participation	13,840,926	14,741,209
Compensated Absences	8,005,324	7,287,713
SERP	10,032,372	13,376,496
Other Postemployment Benefits	43,162,494	43,189,695
Net Pension Liability	537,456,514	534,464,676
Total	<u>\$ 979,065,630</u>	<u>\$ 1,001,974,171</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended
June 30, 2021

FACTORS BEARING ON THE DISTRICT'S FUTURE

Riverside Unified School District's enrollment has been declining steadily over the last several years. From 2019/2020 to 2020/2021, the District saw a decline of 731 in TK-12 enrollment and expects the trend to continue for several more years, and has built the projected decline into revenue and expenditure projections.

The Governing Board has made a commitment to fiscal solvency; maintaining responsible reserves while protecting educational and instructional programs. With careful planning and monitoring of the financial condition, Riverside Unified School District is confident that it can continue to provide a quality education for our students and meet the challenges of the future.

The uncertainty that has been created by COVID- 19 has the District closely monitoring changes in projected revenues from the State. Strong fiscal policies have created reserve balances that will allow the District time before any drastic decisions would need to be considered.

▪ CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact Carolyn Yoakum, Director Business Services at Riverside Unified School District, 6050 Industrial Ave., Riverside CA 92504 or (951) 352-6729.

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
 JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash (Note 2)	\$ 366,643,761
Investments (Note 2)	20,107,041
Accounts Receivable (Note 3)	70,369,928
Inventory	1,122,028
Prepaid Expenses	364
Other Current Assets	28,195
Total Current Assets	458,271,317
Capital Assets: (Note 6)	
Land	46,041,909
Buildings	757,700,862
Furniture and Equipment	5,485,739
Work in Progress	180,191,033
Less Accumulated Depreciation	(295,120,200)
Total Capital Assets	694,299,343
TOTAL ASSETS	1,152,570,660
<u>DEFERRED OUTFLOWS OF RESOURCES</u> (Notes 12, 13, 14)	154,355,925
<u>LIABILITIES</u>	
Accounts Payable and Other Current Liabilities	49,783,714
Current Loans (Note 7)	50,235,000
Unearned Revenue	2,222,004
Total Current Liabilities	102,240,718
Long-Term Liabilities: (Note 8)	
Portion Due or Payable Within One Year	22,576,952
Portion Due or Payable After One Year	419,032,164
Net Pension Liability	537,456,514
Total Long-Term Liabilities	979,065,630
TOTAL LIABILITIES	1,081,306,348
<u>DEFERRED INFLOWS OF RESOURCES</u> (Notes 12, 13, 14)	28,222,842
<u>NET POSITION</u>	
Net Investment in Capital Assets	313,890,417
Restricted for:	
Capital Projects	138,511,269
Debt Service	56,146,487
Educational Programs	44,457,824
Other Purposes (Expendable)	28,364,109
Other Purposes (Nonexpendable)	1,289,336
Unrestricted	(385,262,047)
TOTAL NET POSITION	\$ 197,397,395

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Activities	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental:					
Instruction	\$ 353,946,872	\$ 216,450	\$ 115,895,174	\$ -	\$ (237,835,248)
Instruction-Related Services:					
Supervision of Instruction	22,274,502	52,672	7,967,095	-	(14,254,735)
Instructional Library, Media and Technology	3,445,332	-	157,738	-	(3,287,594)
School Site Administration	37,681,901	1,837	7,536,634	-	(30,143,430)
Pupil Services:					
Home-to-School Transportation	15,420,984	-	812,253	-	(14,608,731)
Food Services	21,237,226	164,151	25,433,229	-	4,360,154
All Other Pupil Services	30,819,223	11,706	7,742,053	-	(23,065,464)
General Administration:					
Data Processing	5,431,088	-	288,510	-	(5,142,578)
All Other General Administration	21,888,222	32,557	4,665,859	-	(17,189,806)
Plant Services	59,295,249	899	12,430,538	-	(46,863,812)
Ancillary Services	5,912,216	30,253	426,477	-	(5,455,486)
Community Services	38,574	-	1,779	-	(36,795)
Enterprise Activities	28,279	-	27,951	-	(328)
Interest on Long-Term Debt	19,189,442	-	-	-	(19,189,442)
Other Outgo	759,956	8,355,193	2,617,079	-	10,212,316
Total Governmental Activities	\$ 597,369,066	\$ 8,865,718	\$ 186,002,369	\$ -	(402,500,979)
General Revenues:					
Taxes:					
Property Taxes, levied for general purposes					110,114,712
Property Taxes, levied for debt service					29,411,910
Property Taxes, levied for other specific purposes					15,489,545
Federal and State Aid not restricted to specific purposes					310,200,485
Interest and Investment Earnings					4,402,223
Interagency Revenues					401,296
Miscellaneous					5,476,739
Total General Revenues					475,496,910
Change in Net Position					72,995,931
Net Position - July 1, 2020, as Previously Reported					111,048,472
Adjustment for Restatement (Note 20)					13,352,992
Net Position - July 1, 2020, as Restated					124,401,464
Net Position - June 30, 2021					\$ 197,397,395

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2021

	GENERAL FUND	BUILDING FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash: (Note 2)				
Cash in County Treasury	\$ 138,020,934	\$ 118,782,535	\$ 76,159,116	\$ 332,962,585
Cash on Hand and in Banks	38,950	71	2,248,783	2,287,804
Cash in Revolving Fund	150,000	-	16,944	166,944
Investments	-	-	20,107,041	20,107,041
Accounts Receivable (Note 3)	42,607,186	99,449	6,231,462	48,938,097
Due from Grantor Governments (Note 3)	20,974,126	-	430,455	21,404,581
Due from Other Funds (Note 4A)	1,288,036	205,520	10,224	1,503,780
Inventory	113,683	-	1,008,345	1,122,028
Prepaid Expenditures	-	-	364	364
Other Current Assets	-	-	28,195	28,195
TOTAL ASSETS	<u>\$ 203,192,915</u>	<u>\$ 119,087,575</u>	<u>\$ 106,240,929</u>	<u>\$ 428,521,419</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 8,464,793	\$ 6,041,770	\$ 4,872,542	\$ 19,379,105
Due to Grantor Governments	15,874,855	-	-	15,874,855
Due to Other Funds (Note 4A)	43,863	-	1,458,937	1,502,800
Tax Revenue Anticipation Notes (Note 7)	50,235,000	-	-	50,235,000
Unearned Revenue	1,722,068	-	499,936	2,222,004
Total Liabilities	<u>76,340,579</u>	<u>6,041,770</u>	<u>6,831,415</u>	<u>89,213,764</u>
Fund Balances: (Note 5)				
Nonspendable	263,683	-	1,025,653	1,289,336
Restricted	44,457,824	113,022,053	90,453,148	247,933,025
Committed	50,183,116	-	-	50,183,116
Assigned	10,566,546	23,752	7,930,713	18,521,011
Unassigned	21,381,167	-	-	21,381,167
Total Fund Balances	<u>126,852,336</u>	<u>113,045,805</u>	<u>99,409,514</u>	<u>339,307,655</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 203,192,915</u>	<u>\$ 119,087,575</u>	<u>\$ 106,240,929</u>	<u>\$ 428,521,419</u>

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
 JUNE 30, 2021

Total Fund Balances - Governmental Funds \$ 339,307,655

Amounts reported for governmental activities in the statement of net position are different because:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation. The cost of the assets is \$989,419,543 and accumulated depreciation is \$295,120,200. 694,299,343

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 it is incurred. The additional liability for unmatured interest owing at the end of the period was: (5,454,000)

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 at year-end consist of:

General Obligation Bonds	\$ 366,568,000	
Net OPEB Liability	43,162,494	
Certificates of Participation	13,840,926	
Net Pension Liability	537,456,514	
Compensated Absences	8,005,324	
SERP	<u>10,032,372</u>	(979,065,630)

Deferred amounts on refunding represents 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 of resources. The remaining deferred amounts on refunding at the end of the period were: 5,920,460

In governmental funds, deferred outflows and inflows of resources related to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources related to pensions are:

Deferred outflows of resources related to pensions	133,020,699
Deferred inflows of resources related to pensions	(10,825,686)

In governmental funds, deferred outflows and inflows of resources related to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources related to OPEB are:

Deferred outflows of resources related to OPEB	15,414,766
Deferred inflows of resources related to OPEB	(17,397,156)

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 are: 22,176,944

Total Net Position - Governmental Activities \$ 197,397,395

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	BUILDING FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local Control Funding Formula Sources:				
State Apportionments	\$ 188,878,670	\$ -	\$ -	\$ 188,878,670
Education Protection Account Funds	113,411,379	-	-	113,411,379
Local Sources	110,114,708	-	-	110,114,708
LCFF Transfers	(1,560,513)	-	-	(1,560,513)
Total LCFF Sources	410,844,244	-	-	410,844,244
Federal Revenues	63,427,976	-	24,698,375	88,126,351
Other State Revenues	98,227,329	-	7,795,765	106,023,094
Other Local Revenues	11,174,616	706,717	51,287,932	63,169,265
Total Revenues	583,674,165	706,717	83,782,072	668,162,954
EXPENDITURES				
Instruction	339,487,804	-	4,982,326	344,470,130
Instruction-Related Services:				
Supervision of Instruction	21,040,160	-	586,042	21,626,202
Instructional Library, Media and Technology	3,344,589	-	-	3,344,589
School Site Administration	35,571,175	-	985,872	36,557,047
Pupil Services:				
Home-to-School Transportation	15,005,607	-	-	15,005,607
Food Services	1,761,757	-	18,765,783	20,527,540
All Other Pupil Services	29,904,053	-	67,989	29,972,042
General Administration:				
Data Processing	5,270,545	-	-	5,270,545
All Other General Administration	17,669,789	-	1,187,842	18,857,631
Plant Services	54,937,663	-	1,009,717	55,947,380
Facilities Acquisition and Construction	4,748,796	73,472,010	8,006,805	86,227,611
Ancillary Services	5,450,638	-	303,275	5,753,913
Community Services	37,540	-	-	37,540
Enterprise	27,568	-	-	27,568
Other Outgo	271,515	-	488,441	759,956
Debt Service:				
Principal	-	-	20,209,164	20,209,164
Interest	-	-	24,515,078	24,515,078
Total Expenditures	534,529,199	73,472,010	81,108,334	689,109,543
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	49,144,966	(72,765,293)	2,673,738	(20,946,589)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In (Note 4B)	-	206,605	2,342,809	2,549,414
Interfund Transfers Out (Note 4B)	-	-	(2,549,414)	(2,549,414)
Other Financing Sources	-	-	4,250,757	4,250,757
Other Financing Uses	-	-	(620,521)	(620,521)
Total Other Financing Sources (Uses)	-	206,605	3,423,631	3,630,236
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	49,144,966	(72,558,688)	6,097,369	(17,316,353)
FUND BALANCES - JULY 1, 2020, as Previously Reported				
	77,707,370	185,604,493	79,959,153	343,271,016
Adjustment for Restatement (Note 20)	-	-	13,352,992	13,352,992
FUND BALANCES - JULY 1, 2020, as Restated	77,707,370	185,604,493	93,312,145	356,624,008
FUND BALANCES - JUNE 30, 2021	\$ 126,852,336	\$ 113,045,805	\$ 99,409,514	\$ 339,307,655

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

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, 2021

Total Net Change in Fund Balances - Governmental Funds \$ (17,316,353)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	\$ 84,772,939	
Depreciation Expense	<u>(15,405,114)</u>	69,367,825

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. 1,166,820

In the governmental funds, repayment of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 20,209,164

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, in addition to compensated absences and long-term debt. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were: 3,344,124

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. (2,146,842)

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 OPEB costs and actual employer contributions was: 817,968

In the statement of activities, compensated absences (vacation) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial recourses used (essentially, the amounts actually paid). (717,611)

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 benefit governmental activities, internal service activities funds are reported as governmental activities in the statement of activities. The net increase in the internal service fund was: (2,050,265)

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, 2021

Deferred amounts on refunding represents 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 life of the debt.	\$ (566,584)
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, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding, for the period is:	3,297,210
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.	(2,409,524)
Rounding	<u>(1)</u>
Change in Net Position of Governmental Activities	<u>\$ 72,995,931</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
 JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
<u>ASSETS</u>	
Cash (Note 2)	
Cash in County Treasury	\$ 29,916,467
Cash on Hand and in Banks	209,961
Cash With Fiscal Agent	1,100,000
Accounts Receivable (Note 3)	22,000
Due From Other Funds (Note 4A)	44,703
	31,293,131
 <u>LIABILITIES</u>	
Liabilities	
Accounts Payable	9,075,754
Due To Other Funds (Note 4A)	40,433
	9,116,187
 <u>NET POSITION</u>	
Unrestricted	\$ 22,176,944

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUND
Operating Revenues:	
In-District Premiums	\$ 35,086,258
Other Local Revenues	4,320,424
Total Operating Revenues	39,406,682
Operating Expenses:	
Certificated Salaries	30,774
Classified Salaries	578,085
Employee Benefits	807,703
Books and Supplies	28,824
Services and Other Operating Expenses	40,129,095
Total Operating Expenses	41,574,481
Operating Income (Loss)	(2,167,799)
Non-Operating Revenues (Expenses):	
Interest	117,533
Change in Net Position	(2,050,266)
Net Position - July 1, 2020	24,227,210
Net Position - June 30, 2021	\$ 22,176,944

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUND
Cash Flows from Operating Activities	
Cash Received from Contributions	\$ 36,522,344
Cash Received from Other Revenues	4,320,424
Cash Paid for Salaries and Benefits	(1,416,563)
Cash Paid for Supplies	(28,823)
Cash Paid for Claims	(39,694,887)
	(297,505)
Net Cash Provided (Used) by Operating Activities	(297,505)
Cash Flows from Investing Activities	
Interest Income	95,533
	95,533
Net Decrease in Cash	(201,972)
Cash - July 1, 2020	31,428,400
	31,428,400
Cash - June 30, 2021	\$ 31,226,428
	31,226,428
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>	
Operating Income (Loss)	\$ (2,167,799)
Adjustments to Reconcile Operating Income To Net	
Cash Provided by Operating Activities	
(Decrease) in Accounts Receivable	1,451,136
(Increase) in Due From Other Funds	(15,050)
(Increase) in Accounts Payable	399,453
Increase in Due To Other Funds	34,755
	1,870,294
Total Adjustments	1,870,294
Net Cash Provided (Used) by Operating Activities	\$ (297,505)
	(297,505)

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	TRUST FUNDS		
	FOUNDATION FUND	RETIREE BENEFITS FUND	TOTAL
<u>ASSETS</u>			
Cash (Note 2)	\$ 271,181	\$ -	\$ 271,181
Investments (Note 2)	-	28,798,841	28,798,841
Accounts Receivable	201	-	201
	\$ 271,382	\$ 28,798,841	\$ 29,070,223
<u>LIABILITIES</u>			
Due to Other Funds	\$ 5,250	\$ -	\$ 5,250
<u>NET POSITION</u>			
Restricted for Student Scholarships	266,132	-	266,132
Restricted for Retiree Benefits	-	28,798,841	28,798,841
	\$ 266,132	\$ 28,798,841	\$ 29,064,973
	\$ 266,132	\$ 28,798,841	\$ 29,064,973

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	TRUST FUNDS	
	FOUNDATION FUND	RETIREE BENEFITS FUND
<u>ADDITIONS</u>		
Interest	\$ 1,118	\$ 944,175
Net Increase in Fair Value of Investments	54	4,408,106
Other Local Sources	102	-
Total Additions	<u>1,274</u>	<u>5,352,281</u>
<u>DEDUCTIONS</u>		
Books and Supplies	2,817	-
Other Services & Operating Expenses	<u>(2,812)</u>	<u>(146,834)</u>
Total Deductions	<u>5</u>	<u>(146,834)</u>
Net Increase (Decrease) in Net Position	1,279	5,205,447
Net Position - July 1, 2020	<u>264,853</u>	<u>23,593,394</u>
Net Position - June 30, 2021	<u>\$ 266,132</u>	<u>\$ 28,798,841</u>

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or retained earnings, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District accounts are organized into major, nonmajor and fiduciary funds.

Major Governmental Funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

Nonmajor Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains four nonmajor special revenue funds.

- Student Activity Special Revenue Fund is used to account for governmental associated student body activities in accordance with GASB 84.
- Adult Education Fund is used to account separately for federal, state and local revenues that are restricted or committed for adult education programs.
- Child Development Fund is used to account for resources dedicated to child development programs maintained by the District.
- Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's food service operations.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. The District maintains three nonmajor debt service funds.

- Debt Service Fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

- Blended Component Unit – Debt Service Fund is used to account for the debt service activity of the CFDs.
- Bond Interest and Redemption Fund is used to account for the accumulation of resources for the general obligation bonds, interest and related costs

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains four nonmajor capital projects funds.

- County School Facilities Fund is used to account for revenues and expenditures for County School Facilities Program (SB40) approved projects.
- Capital Facilities Fund is used to account for resources received from developer fees.
- Special Reserve Fund is used to account for revenues received and expenditures made in connection with maintenance of the District Property.
- Blended Component Unit – Capital Projects Fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and other similar entities that are considered to be blended component units of the District.

Fiduciary Funds:

Private Purpose Trust Funds: The District maintains two trust funds. The Retiree Benefit Fund exists to account separately for amounts held in irrevocable contributions for employee's retirement benefit payments and its own earnings. The Foundation Fund is used to finance scholarships awarded to deserving students.

Reporting Entity

The 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 GASB Statement No. 14, The Financial Reporting Entity, for inclusion of the entities as a component unit of the District. The entities were created for the specific and primary purpose of providing financing assistance to the District for construction and acquisition of major capital facilities.

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

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:
 - 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.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

- The District exercises significant influence over operations of the Authority, Corporation and CFDs as it is anticipated that the District will be the sole lessee of the Authority, Corporation and CFDs for a leasehold interest in an existing school site. Likewise, it is anticipated that the District's lease payments will be the sole revenue source of the Authority, Corporation and CFDs, with the exception of interest.
 - All major financing arrangements, contracts, and other transactions of the Authority, Corporation and CFDs must have the consent of the District.
3. The Authority, Corporation and CFDs provide specific financial benefits or impose specific financial burdens on the District based on the following:
- Any deficits incurred by the Authority and the Corporation will be reflected in the lease payments of the District. Any surpluses of the Authority and the Corporation revert to the District at the end of the lease period.
 - The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Authority, Corporation and CFDs.

Financial Presentation

The financial activities of the Authority, Corporation and CFDs are presented in Blended Component Unit - Capital Projects Fund and Debt Service Fund for Special Tax Bonds.

Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities.

Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Proprietary and Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and Fiduciary funds use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, “available” means collectible within the current period or within one year after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as unearned revenue.

RIVERSIDE UNIFIED SCHOOL DISTRICT
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Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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.

Budgets and Budgetary Accounting

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

These budgets are revised by the District's Board of Education during the year to give consideration to unanticipated income and expenditures. The final revised budget that is presented in the financial statements consists of the original Board approved documents plus all revisions through June 30, 2021.

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

Accounting Estimates

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

Encumbrances

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

RIVERSIDE UNIFIED SCHOOL DISTRICT
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Inventory

Inventory in the General Fund and Cafeteria Fund consists mainly of expendable supplies held for consumption. Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts, and the cost is recorded as an expenditure at the time individual inventory items are requisitioned. In general, inventories are valued on the weighted average cost method. Reported inventories are equally offset by a fund balance reserve which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of fund balance.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset, significantly increase capacity or increase utility are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Buildings and Improvements	20-50
Furniture and Equipment	2-15

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. An expenditure for these amounts is reported in the governmental funds only if they have been paid, i.e., as a result of taking vacation time.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Net Position in the Government-Wide Financial Statements

In the government-wide Statement of Net Position, the net position amount can be classified and displayed in three components:

- Net Investment in Capital Assets – This consists of capital assets net of accumulated depreciation and reduced by any long-term borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

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- Restricted – This consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- Unrestricted – This consists of the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance Designations

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

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

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

Deferred Outflows and Deferred Inflows of Resources

Included in the Statement of Net Position are separate sections for deferred outflows and deferred inflows of resources.

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows and deferred inflows of resources have been reported as a result of recording the net pension liabilities and pension expense.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan’s fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds payable includes applicable bond premiums.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued and premiums or discounts are reported as other financing sources/uses.

Local Control Funding Formula/Property Tax

As a result of the 2013-14 state budget package, the District's state apportionments are based on a Local Control Funding Formula (LCFF). The LCFF creates base, supplemental, and concentration grants (by grade span) in place of most previously existing K-12 funding streams, including revenue limits and most state categorical programs. Full implementation of LCFF was realized in fiscal year 2018-19.

Riverside County is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when received by the District. The County apportions secured property tax revenue in accordance with the alternate method of distributions prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method, also known as the Teeter Plan, provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local LCFF sources by the District.

The California Department of Education reduces the District's LCFF entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the State Apportionment.

RIVERSIDE UNIFIED SCHOOL DISTRICT
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New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) statements are effective for FY 2020-21 financial statement audits:

- GASB Statement No. 84, *Fiduciary Activities*

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

- GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statement No. 14 and No. 61*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

- GASB Statement No. 92, *Omnibus 2020*

Although the effective date for the majority of GASB Statement No. 92, *Omnibus 2020* has been postponed by GASB Statement No. 95 for one year, the District has adopted paragraph 11 of Statement 92 with respect to reinsurance recoveries. Paragraph 11 states that "amounts that (a) are recoverable from reinsurers or excess insurers and (b) relate to paid claims and claim adjustment expenses may be reported as reductions of expenses but are not required to be. The District has also adopted paragraph 13 of Statement 92 in regards to changing all uses of the term's derivative and derivatives in existing standards to derivative instrument and derivative instruments, respectively. The provisions in paragraphs 11 and 13 were excluded from the scope of Statement 95 paragraph 11 retains the reporting option, and thus only clarifies that an option exists, and paragraph 13 imposes no burden on the District. As such, this statement does not impact the District.

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – and Amendment to GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32.*

RIVERSIDE UNIFIED SCHOOL DISTRICT
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The District has adopted paragraphs 4 and 5 of GASB Statement No. 92. Paragraph 4 states that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), if the primary government performs the duties that a governing board typically would perform, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board. Paragraph 5 states that the financial burden criterion in paragraph 7 of Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plan Other Than Pension Plans*, respectively. The requirements in paragraphs 6-9 of this Statement are effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Future Accounting Pronouncements

In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* is currently in effect to postpone the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

- The effective date for the following pronouncements are postponed by one year:
 - Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
 - Statement No. 91, *Conduit Debt Obligations*
 - Statement No. 92, *Omnibus 2020*
 - Statement No. 93, *Replacement of Interbank Offered Rates*
- The effective dates for the following pronouncements are postponed by 18 months:
 - Statement No. 87, *Leases*

2. CASH AND INVESTMENTS

Cash at June 30, 2021, consisted of the following:

	Governmental Activities		Fiduciary Funds	
	Governmental Funds	Proprietary Fund	Trust Funds	Total
Pooled Funds:				
Cash in County Treasury	\$ 332,962,585	\$ 29,916,467	\$ 271,181	\$ 363,150,233
Deposits:				
Cash on Hand and in Banks	2,287,804	209,961	-	2,497,765
Cash in Revolving Fund	166,944	-	-	166,944
Cash with Fiscal Agent	-	1,100,000	-	1,100,000
Total	\$ 335,417,333	\$ 31,226,428	\$ 271,181	\$ 366,914,942

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

		<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	
	<u>Rating</u>	<u>Governmental Funds</u>	<u>Trust Funds</u>	<u>Total</u>
Investments:				
Cash	N/A	\$ 2	\$ -	\$ 2
U.S Bank - Money Market	N/A	19,879,854	-	19,879,854
U.S. Bank - US Government Bonds	N/A	227,185	-	227,185
Mutual Fund - Fixed Income	N/A	-	14,233,195	14,233,195
Mutual Fund - Domestic Equity	N/A	-	10,064,943	10,064,943
Mutual Fund - International Equity	N/A	-	2,619,812	2,619,812
Mutual Fund - Real Estate	N/A	-	1,880,891	1,880,891
Total Investments		<u>\$ 20,107,041</u>	<u>\$ 28,798,841</u>	<u>\$ 48,905,882</u>

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Riverside County Treasury as part of the investment pool which has a balance on June 30, 2021 of \$9,503,657,509. The County pools these funds with those of other entities in the County and invests the cash. These pooled funds are carried at cost which approximates market value. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The fair market value of this pool as of June 30, 2021, as provided by the pool sponsor, was \$9,505,561,665. The County is required by Government Code Section 53635 pursuant to section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury and in Money Market Mutual Fund U.S. Treasury Fund obligations. The District maintains an investment with the Riverside County Investment Pool with a fair value of approximately \$363,150,233 and an amortized book value of \$363,077,617. The average weighted maturity for this pool is 421 days.

Credit Risk

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

Custodial Credit Risk – Deposits

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

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

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

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 maturities 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 prior to commitment. Maturities of investments held at June 30, 2021 consists of the following:

<u>Investment Maturities</u>	<u>Fair Value</u>	<u>Maturity</u>
Investments:		
Cash	\$ 2	N/A
U.S. Bank - Money Market	19,879,854	Varies
U.S. Bank - US Government Bonds	227,185	Varies
Mutual Fund - Fixed Income	14,233,195	N/A
Mutual Fund - Domestic Equity	10,064,943	N/A
Mutual Fund - International Equity	2,619,812	N/A
Mutual Fund - Real Estate	<u>1,880,891</u>	N/A
Total Fair Value	<u>\$ 48,905,882</u>	

Investments – Credit Risk

The District’s investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposits, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by State Government Code Section 53600. At June 30, 2021, all investments represented mutual funds and 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, 2021, the District had the following investments that represent more than five percent of the District’s net investments.

U.S.Bank - Money Market	41.0%
Mutual Fund - Fixed Income	29.0%
Mutual Fund - Domestic Equity	21.0%

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021, consisted of the following:

	GENERAL FUND	BUILDING FUND	ALL OTHER GOVERNMENTAL FUNDS	SELF INSURANCE FUND	TOTAL
Federal Sources:					
Categorical Aid Programs	\$ 93,246	\$ -	\$ 141,079	\$ -	\$ 234,325
Child Nutrition Program	-	-	4,923,259	-	4,923,259
Total Federal	93,246	-	5,064,338	-	5,157,584
State Sources:					
Categorical Aid Programs	8,935,673	-	95,879	-	9,031,552
Child Nutrition Program	-	-	316,318	-	316,318
LCFF	32,693,948	-	-	-	32,693,948
Total State	41,629,621	-	412,197	-	42,041,818
Local Sources:					
Local Governments	323,463	-	121,568	-	445,031
Interest	80,059	99,449	86,125	22,000	287,633
Other	480,797	-	547,234	-	1,028,031
Total Local	884,319	99,449	754,927	22,000	1,760,695
Total Receivables	42,607,186	99,449	6,231,462	22,000	48,960,097
Due from Grantor Government					
Federal Sources:					
Categorical Aid Programs	12,588,685	-	289,965	-	12,878,650
State Sources:					
Categorical Aid Programs	8,385,441	-	140,490	-	8,525,931
Total Due from Grantor Government	20,974,126	-	430,455	-	21,404,581
Total Receivables	\$ 63,581,312	\$ 99,449	\$ 6,661,917	\$ 22,000	\$ 70,364,678

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

4. INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefited fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

A. Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2021, are as follows:

<u>DUE FROM</u>	<u>DUE TO</u>				<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>BUILDING FUND</u>	<u>ALL OTHER GOVERNMENTAL FUNDS</u>	<u>SELF INSURANCE FUND</u>	
General Fund	\$ -	\$ -	\$ -	\$ 43,863	\$ 43,863
Building Fund	-	-	-	-	-
All Other Governmental Funds	1,251,402	205,520	1,175	840	1,458,937
Self Insurance Fund	31,384	-	9,049	-	40,433
Scholarship Trust	5,250	-	-	-	5,250
Total	<u>\$ 1,288,036</u>	<u>\$ 205,520</u>	<u>\$ 10,224</u>	<u>\$ 44,703</u>	<u>\$ 1,548,483</u>

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2020-21 fiscal year were as follows:

<u>TRANSFERS FROM</u>	<u>TRANSFERS TO</u>		<u>TOTAL</u>
	<u>BUILDING FUND</u>	<u>ALL OTHER GOVERNMENTAL FUNDS</u>	
All Other Governmental Funds	<u>\$ 206,605</u>	<u>\$ 2,342,809</u>	<u>\$ 2,549,414</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

5. FUND BALANCE

Ending fund balance in the governmental funds is composed of the following elements:

	GENERAL FUND	BUILDING FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL
Nonspendable:				
Revolving Fund	\$ 150,000	\$ -	\$ 16,944	\$ 166,944
Inventory	113,683	-	1,008,345	1,122,028
Prepays	-	-	364	364
Total Nonspendable	263,683	-	1,025,653	1,289,336
Restricted for:				
Legally Restricted Balances	44,457,824	113,022,053	90,453,148	247,933,025
Committed for:				
Other Commitments	50,183,116	-	-	50,183,116
Assigned for:				
Other Assignments	10,566,546	23,752	7,930,713	18,521,011
Unassigned for:				
Reserve for Economic Uncertainties	21,381,167	-	-	21,381,167
Total Fund Balances	<u>\$ 126,852,336</u>	<u>\$ 113,045,805</u>	<u>\$ 99,409,514</u>	<u>\$ 339,307,655</u>

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the fiscal year ended June 30, 2021, is shown below:

PRIMARY GOVERNMENT				
	Balance June 30, 2020	Additions	Project closeout/ Retirements	Balance June 30, 2021
Land	\$ 46,041,909	\$ -	\$ -	\$ 46,041,909
Buildings and Site Improvements	744,436,917	13,263,945	-	757,700,862
Furniture and Equipment	21,155,164	10,000	15,679,425	5,485,739
Work in Progress	108,692,039	84,762,939	13,263,945	180,191,033
Total at Historical Cost	920,326,029	98,036,884	28,943,370	989,419,543
Less Accumulated Depreciation for:				
Buildings and Site Improvements	275,558,855	15,076,521	-	290,635,376
Furniture and Equipment	17,426,132	328,593	13,269,901	4,484,824
Total Accumulated Depreciation	292,984,987	15,405,114	13,269,901	295,120,200
Governmental Activities Capital Assets, Net	<u>\$ 627,341,042</u>	<u>\$ 82,631,770</u>	<u>\$ 15,673,469</u>	<u>\$ 694,299,343</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
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Depreciation expense was charged to governmental activities as follows:

Governmental Activities:	
Instruction	\$ 9,520,794
Supervision of Instruction	597,726
Instructional Library, Media and Technology	92,441
School Site Administration	1,010,399
Home-to-School Transportation	414,739
Food Services	580,519
All Other Pupil Services	828,396
All Other General Administration	521,096
Ancillary Services	159,032
Community Services	1,037
Enterprise Activities	762
Centralized Data Processing	145,672
Plant Services	<u>1,532,501</u>
 Total Depreciation Expense	 <u>\$ 15,405,114</u>

7. TAX AND REVENUE ANTICIPATION NOTES

The District is a participant in the Riverside County Schools Pooled Cross Fiscal Year 2020-21 Tax and Revenue Anticipation Notes (Series B). As a participant, the District received proceeds from the Tax and Revenue Anticipation Notes in the amount of \$50,235,000. The notes bear an interest rate of 2.00% and mature on December 30, 2021.

8. LONG-TERM DEBT

A schedule of changes in long-term debt for the fiscal year ended June 30, 2021, is shown below:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Bonds	\$ 361,015,000	\$ -	\$ 19,105,000	\$ 341,910,000	\$ 16,615,000
Bond Premium	27,899,382	-	3,241,382	24,658,000	1,354,000
Certificates of Participation	14,336,455	10,112,000	10,956,455	13,492,000	1,208,000
COP Premium	404,754	-	55,828	348,926	55,828
Other Postemployment Benefits	43,189,695	-	27,201	43,162,494	-
Compensated Absences	7,287,713	717,611	-	8,005,324	-
SERP	13,376,496	-	3,344,124	10,032,372	3,344,124
 Total	 <u>\$ 467,509,495</u>	 <u>\$ 10,829,611</u>	 <u>\$ 36,729,990</u>	 <u>\$ 441,609,116</u>	 <u>\$ 22,576,952</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

9. BONDED DEBT

The outstanding general obligation bonded debt of the District at June 30, 2021, is the following:

Bond	Date of Bond	Year of Maturity	Rate of Interest	Amount of Original Issue	Bonds Outstanding June 30, 2020	Issued During Year	Matured During Year	Bonds Outstanding June 30, 2021
2011 Refunding	10/5/2011	2027	2.0%-5.0%	\$ 46,125,000	\$ 2,140,000	\$ -	\$ 2,140,000	\$ -
2015 Refunding	6/17/2015	2030	2.0%-5.0%	48,810,000	36,760,000	-	2,635,000	34,125,000
2016 Refunding	5/25/2016	2038	0.7%-4.32%	53,365,000	51,215,000	-	385,000	50,830,000
2016 Series A	5/25/2017	2041	3.0%-5.0%	100,000,000	72,345,000	-	3,000,000	69,345,000
2016 Series B	12/3/2019	2042	3.0%-4.0%	172,000,000	172,000,000	-	9,700,000	162,300,000
2019 Refunding	12/3/2019	2027	1.696%-2.505%	26,555,000	26,555,000	-	1,245,000	25,310,000
				<u>\$ 446,855,000</u>	<u>\$ 361,015,000</u>	<u>\$ -</u>	<u>\$ 19,105,000</u>	<u>\$ 341,910,000</u>

The annual requirement to amortize the 2015 Refunding general obligation bonds payable, outstanding at June 30, 2021, is as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 2,670,000	\$ 1,424,400	\$ 4,094,400
2023	1,350,000	1,323,900	2,673,900
2024	2,055,000	1,238,775	3,293,775
2025	1,420,000	1,151,900	2,571,900
2026	1,490,000	1,079,150	2,569,150
2027-31	25,140,000	3,064,350	28,204,350
Total	<u>\$ 34,125,000</u>	<u>\$ 9,282,475</u>	<u>\$ 43,407,475</u>

The annual requirement to amortize the 2016 Refunding general obligation bond premium, outstanding at June 30, 2021, is as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 395,000	\$ 2,089,759	\$ 2,484,759
2023	405,000	2,080,565	2,485,565
2024	420,000	2,070,229	2,490,229
2025	430,000	2,058,687	2,488,687
2026	445,000	2,045,993	2,490,993
2027-31	7,555,000	11,836,909	19,391,909
2032-36	28,165,000	5,903,221	34,068,221
2037-39	13,015,000	568,188	13,583,188
Total	<u>\$ 50,830,000</u>	<u>\$ 28,653,551</u>	<u>\$ 79,483,551</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,710,000	\$ 2,984,238	\$ 5,694,238
2023	3,075,000	2,839,612	5,914,612
2024	3,470,000	2,675,988	6,145,988
2025	3,890,000	2,491,987	6,381,987
2026	2,095,000	2,342,362	4,437,362
2027-31	11,995,000	12,167,169	24,162,169
2032-36	12,300,000	6,266,325	18,566,325
2037-41	23,740,000	3,841,675	27,581,675
2042	<u>6,070,000</u>	<u>121,400</u>	<u>6,191,400</u>
Total	<u>\$ 69,345,000</u>	<u>\$ 35,730,756</u>	<u>\$ 105,075,756</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,445,000	\$ 5,750,500	\$ 16,195,500
2023	10,635,000	5,328,900	15,963,900
2024	485,000	5,106,500	5,591,500
2025	730,000	5,082,200	5,812,200
2026	2,110,000	5,025,400	7,135,400
2027-31	24,935,000	27,317,900	52,252,900
2032-36	28,850,000	13,774,800	42,624,800
2037-41	53,260,000	10,408,100	63,668,100
2042-43	<u>30,850,000</u>	<u>1,321,400</u>	<u>32,171,400</u>
Total	<u>\$ 162,300,000</u>	<u>\$ 79,115,700</u>	<u>\$ 241,415,700</u>

The annual requirement to amortize the 2019 Refunding general obligation bonds payable, outstanding at June 30, 2021, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 526,607	\$ 526,607
2023	4,200,000	469,928	4,669,928
2024	3,565,000	394,884	3,959,884
2025	4,450,000	307,930	4,757,930
2026	4,550,000	208,823	4,758,823
2027-28	<u>8,545,000</u>	<u>132,219</u>	<u>8,677,219</u>
Total	<u>\$ 25,310,000</u>	<u>\$ 2,040,391</u>	<u>\$ 27,350,391</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

The total annual requirement to amortize general obligation bonds payable, outstanding at June 30, 2021, is summarized below:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 16,220,000	\$ 12,775,503	\$ 28,995,503
2023	19,665,000	12,042,906	31,707,906
2024	9,995,000	9,995,000	19,990,000
2025	10,920,000	10,920,000	21,840,000
2026	10,690,000	10,701,728	21,391,728
2027-31	78,170,000	54,518,547	132,688,547
2032-36	69,315,000	25,944,346	95,259,346
2037-41	90,015,000	14,817,963	104,832,963
2042-43	36,920,000	1,442,800	38,362,800
Total	\$ 341,910,000	\$ 153,158,793	\$ 495,068,793

10. CERTIFICATES OF PARTICIPATION

- A. In January 2019, Riverside Unified School District issued Certificates of Participation in the amount of \$4,170,000 with interest rates ranging from 3.00 to 5.00 percent.

The certificates mature through September 2027, as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 425,000	\$ 147,250	\$ 572,250
2023	440,000	129,950	569,950
2024	460,000	111,950	571,950
2025	475,000	90,875	565,875
2026	500,000	66,500	566,500
2027-28	1,080,000	54,750	1,134,750
Total	\$ 3,380,000	\$ 601,275	\$ 3,981,275

- B. In June 2021, Riverside Unified School District issued Certificates of Participation in the amount of \$10,112,000 with an interest rate of 2.30 percent.

The certificates mature through June 2035, as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 783,000	\$ 210,636	\$ 993,636
2023	792,000	210,013	1,002,013
2024	809,000	191,705	1,000,705
2025	826,000	172,994	998,994
2026	841,000	153,916	994,916
2027-31	2,946,000	539,799	3,485,799
2032-35	3,115,000	185,208	3,300,208
Total	\$ 10,112,000	\$ 1,664,271	\$ 11,776,271
Grand Total	\$ 13,492,000	\$ 2,265,546	\$ 15,757,546

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

11. NON-OBLIGATORY DEBT

Non-obligatory debt are debt issuances by the Community Facility Districts (CFD) encompassed in the Riverside Unified School District’s geographic area. These debt issuances are authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Marks-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property in each CFD according to a methodology approved by voters in each CFD. Neither the faith, credit or taxing power of Riverside Unified School District is pledged to the payment of the bonds. Reserves have been established using bond proceeds to meet delinquencies if they should occur. If delinquencies occur beyond the amount reserved, the District has no responsibility to pay the delinquency from any of their available funds. The District acts only as an agent for paying the taxes levied and paying the bondholders. The District may also initiate foreclosure proceedings. Special assessment debt related to CFDs of \$133,670,000 as of June 30, 2021 does not represent debt of the District and, as such, does not appear in the financial statements.

12. DEFERRED OUTFLOWS FROM DEFEASANCE OF DEBT

The District defeased certain long-term obligations (general obligation bonds and certificated of participation) by placing the proceeds of new refunding obligations in irrevocable trusts to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the financial statements.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as deferred outflows of resources and amortized as interest expense over the life of the old debt or new debt, whichever is less. As of June 30, 2021, deferred outflows from defeasance of old debt amounted to \$5,660,751.

Proceeds from 2021 certificates of participation (COPS) were used to refund the 2015 and 2016 COPS, outstanding, to realize debt service savings. The refunding decreased the aggregate debt service payments by \$658,271 with an economic or present value gain of \$646,374. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$259,709. This amount is being reported as a deferred outflow of resources and amortized as an adjustment to interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. As of June 30, 2021, total deferred outflows from defeasance of debt is \$5,920,460.

13. OTHER POSTEMPLOYMENT BENEFITS

For the fiscal year ended June 30, 2021, the District reported net OPEB Liability, deferred outflows of resources, deferred inflows of resources and OPEB expense for the following plans:

<u>Pension Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
District Plan	\$ 40,260,033	\$ 15,414,766	\$ 17,397,156	\$ 4,294,934
MPP Program	2,902,461	-	-	506,682
Total	<u>\$ 43,162,494</u>	<u>\$ 15,414,766</u>	<u>\$ 17,397,156</u>	<u>\$ 4,801,616</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

A. District Plan

Plan Description.

The District’s single-employer defined benefit plan provides OPEB for eligible certificated, classified, and management employees of the District through the Benefit Trust Company. This 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”). This Trust was established and is managed in compliance with the applicable Governmental Accounting Standards Board (GASB) standard for OPEB.

The District’s governing body has established by resolution a Retirement Board of Authority (the “Board”) to supervise the Trust. The Board has been established to manage, direct, and control the Fiduciary, Trust Settlor and Administrative functions. As mandated by the California Government Code, the Board shall perform all its duties with the care, skill and diligence that a prudent person would utilize. The Board shall also act solely in the interest of plan participants and beneficiaries with the sole purpose of providing benefits to them and paying only necessary and reasonable expenses for administrating the Trust. The Board shall see that the Trust’s assets are diversified in order to minimize the risk of large investment losses. The Board will have the exclusive authority to establish, execute, and interpret the Trust’s written Investment Policy Statement (IPS) which profiles the long-term investment objectives of the Trust.

Benefits Provided

The postretirement health plans and the District’s obligation vary by employee group as described below.

The Plan provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer. An employee who is covered by the medical plan and has met eligibility requirements listed below is eligible to elect post-retirement coverage 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.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	408
Active plan members	<u>3,584</u>
Total	<u><u>3,992</u></u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Contributions

The District has an OPEB trust with Benefit Trust Company. It is expected that trust earnings will be sufficient to satisfy benefit payment requirements to participants. Information regarding the OPEB trust with Benefit Trust Company can be obtained from the Riverside Unified School District Business Office.

Total OPEB Liability

The District's total OPEB liability of \$63,853,427 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%
Investment rate of return	6.90%
Healthcare cost trend rate	6.56% for 2020, then 4.10% for 2021, 6.25% for 2022, decreasing 0.25% per year to an ultimate rate of 5.00%.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

The long-term expected rate of return on OPEB plan investments was provided by the Plan Sponsor and the investment advisor.

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and 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 – to the extent that the conditions in (a) 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 6.90% which is the expected rate of return on assets.

The discount rate for GASB 74 has been set equal to 6.90% which is the expected rate of return on assets.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Changes in the Total OPEB Liability

Total OPEB Liability		
Service Cost	\$	2,108,053
Interest		4,423,775
Difference between expected and actual experience		(3,241,829)
Changes of assumptions		34,934
Benefit payments		(2,903,840)
		<hr/>
Net change in total OPEB liability		421,093
Total OPEB liability - July 1, 2020 (a)		<hr/> 63,432,334
Total OPEB liability - June 30, 2021 (b)	\$	<hr/> <hr/> 63,853,427
Plan Fiduciary Net Position		
Contributions - employer	\$	2,903,840
Net investment income		1,089,414
Benefit payments		(2,903,840)
Administrative expense		(134,438)
		<hr/>
Net change in plan fiduciary net position		954,976
Plan Fiduciary Net Position - July 1, 2020 (c)		<hr/> 22,638,418
Plan Fiduciary Net Position - June 30, 2021 (d)	\$	<hr/> <hr/> 23,593,394
Net OPEB Liability - Beginning July 1, 2020 (a) - (c)	\$	<hr/> 40,793,916
Net OPEB Liability - Ending June 30, 2021 (b) - (d)	\$	<hr/> <hr/> 40,260,033

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 1 percentage point lower or 1 percentage point higher than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ 45,410,084	\$ 40,260,033	\$ 35,605,603

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 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ 34,660,983	\$ 40,260,033	\$ 46,708,799

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$4,294,934. At June 30, 2021, the District's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions after the measurement date	\$ 5,112,902	\$ -
Differences between expected and actual experience	9,304,664	3,922,153
Changes in assumptions or other inputs	30,257	13,475,003
Difference between projected and actual return on investments	966,943	-
Total	\$ 15,414,766	\$ 17,397,156

\$5,112,902 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. The other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2022	\$ (1,140,414)
2023	(1,140,416)
2024	(1,244,020)
2025	(1,336,595)
2026	(1,263,865)
Thereafter	(969,982)
Total	\$ (7,095,292)

B. 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 Teacher's Health Benefit Fund (THBF).

A full description of the MPP Program including benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 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: <http://www.calstrs.com/actuarial-financial-and-investor-information>.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the Deferred Benefit (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. The MPP Program is closed to new entrants as members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2020, 5,443 retirees participated in the MPP Program. The number of retired members who will participate in the program in the future is unknown because 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 California Education Code section 25930, 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, 2021, the District reported a liability of \$2,902,461 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, 2021, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020. 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.

For the year ended June 30, 2021, the District reported OPEB expense of \$506,682.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 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, 2020
Valuation Date	June 30, 2019
Experience Study	July 1, 2014, through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.21%
Healthcare Cost Trend Rate	4.50% for Medicare Part A, and 5.40% for Medicare Part B

In addition, assumptions were made about future participation (enrollment) into the MPP Program because 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' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294, or an average of 0.18 percent of the potentially eligible population of 159,339.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries.

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 MMP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The MPP Program is funded on a pay-as-you-go basis and under the pay-as-you-go method the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21 percent, which is The Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29% from 3.50% as of June 30, 2019.

Sensitivity of the District's 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MPP OPEB Liability	\$ 3,209,477	\$ 2,902,461	\$ 2,641,210

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes to Changes in the Medicare

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 cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MPP OPEB Liability	\$ 2,090,105	\$ 2,902,461	\$ 2,231,647

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

14. COMPENSATED ABSENCES

The accumulated unpaid employee compensated absences as of June 30, 2021, amounted to \$8,005,324, which is included in general long-term debt.

15. SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN

The District has established a supplemental employee retirement plan (SERP) whereby certain qualified employees may retire early and receive a portion of their salary paid out as an annuity. The future payments owing at June 30, 2021, for these obligations are shown below:

Year Ending June 30	Premium
2022	\$ 3,344,124
2023	3,344,124
2024	3,344,124
Total	\$ 10,032,372

16. NET PENSION LIABILITY

General Information About the Pension Plans

Plan Descriptions

Qualified employees are covered under cost-sharing multiple-employer defined benefit pension plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS) and certificated employees are members of the California State Teachers' Retirement System (CalSTRS). Benefit provisions under the plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalPERS and CalSTRS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

Benefits Provided

CalPERS and CalSTRS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of service credit for each year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013, are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

The plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	CalPERS		CalSTRS	
	Before <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>	Before <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
Hire Date				
Benefit Formula	2% at 55	2% at 62	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years	5 Years	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50-62	52-67	50-62	55-67
Monthly benefits, as a % of eligible compensation	1.1 - 2.5%	1.0 - 2.5%	1.1 - 2.4%	1.0 - 2.4% *
Required employee contribution rates (average)	7.000%	7.000%	10.250%	10.250%
Required employer contribution rates	20.700%	20.700%	16.150%	16.150%

*Amounts are limited to 120% of Social Security Wage Base.

Contributions - CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2020 (measurement date), employees hired prior to January 1, 2013 paid in 7.00%, employees hired on or after January 1, 2013 paid 6.00%, and the employer contribution rate was 13.88% of annual payroll. For the fiscal year ending June 30, 2021, employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 7.00%, and the employer's contribution rate was 20.70%.

On-Behalf Payments

Consistent with Section 20825.2 of the Government Code, the State of California appropriated \$904,000,000 from the General Fund for the 2019-20 fiscal year to be apportioned as follows:

- a) \$144,000,000 to pay in advance, on behalf of school employers, part of the contributions required by school employers pursuant to this part for the 2020-21 fiscal year.
- b) \$100,000,000 to pay in advance, on behalf of school employers, part of the contributions required by school employers pursuant to this part for the 2021-22 fiscal year.
- c) \$660,000,000 shall be applied to the unfunded liabilities for the school employers whose assets and liabilities are merged pursuant to subdivision (a) of Section 20618.

Any payments made pursuant to this section shall not discharge the school employers for any remaining amounts due and payable pursuant to this part.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Contributions - CalSTRS

For the measurement period ended June 30, 2020 (measurement date), Section 22950 of the California Education Code requires members to make monthly contributions of 10.205% of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.150% of creditable compensation. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Section 22950.5 states, "For fiscal year 2021-22 and each fiscal year thereafter, the board shall increase or decrease the percentages paid specified in this section from the percentage paid during the prior fiscal year to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the board based upon a recommendation from its actuary."

On-Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the measurement period ended June 30, 2020 (measurement date), the State contributed 10.328% of salaries creditable to CalSTRS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Contributions Recognized

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each plan were as follows:

	CaPERS	CaSTRS
Contributions - Employer	\$ 14,306,440	\$ 37,420,479
Contributions - Employee (via employer)	5,078,093	22,331,929
Contributions - State On-Behalf Payments	-	28,609,575
Total	\$ 19,384,533	\$ 88,361,983

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

As of June 30, 2021, the District reported a net pension liability for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CaPERS	\$ 153,590,274
CaSTRS	383,866,240
Total Net Pension Liability	\$ 537,456,514

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

The District's net pension liability for each plan is measured as the proportionate share of the net pension liability as of June 30, 2021. The total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2021, the District recognized pension expense of \$76,530,873. At June 30, 2021, 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	\$ 74,414,413	\$ -
Differences between actual and expected experience	8,294,952	10,825,686
Changes in assumptions	37,995,616	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	-
Net difference between projected and actual earnings on plan investments	12,315,718	-
Total	\$ 133,020,699	\$ 10,825,686

\$74,414,413 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30		
2022	\$	7,470,813
2023		16,161,041
2024		19,300,243
2025		5,819,250
2026		(1,043,532)
Thereafter		72,785
Total	\$	47,780,600

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>CalPERS</u>	<u>CalSTRS</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age - Normal	Entry Age - Normal
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth	3.00%	3.50%
Projected Salary Increase	Varies *	Varies *
Investment Rate of Return	7.15% #	7.10% #
Mortality	Varies &	Varies &

* Depending on age, service and type of employment

Net of pension plan investment expenses, including inflation

& Depending on age, gender and type of job

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for CalPERS and 7.10% for CalSTRS. To determine whether the District bond rate should be used in calculation of a discount rate for each plan, CalPERS and CalSTRS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the District bond rate calculation is not necessary for either plan.

The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS websites.

According to Paragraph 30 of GASB Statement No. 68, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS and CalSTRS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS and CalSTRS review all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. Any changes to the discount rate will require board action and proper stakeholder outreach.

CalSTRS conducts an Asset Liability Management (ALM) study every four years to direct how the Investment staff allocates assets among different opportunities. This study weighs the teachers' pension liabilities versus assets needed to fund these pensions over the long term and is a critical process that drives the performance of the investment portfolio.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

The culmination of the most recent study was marked by new long-term asset allocation targets adopted by the board’s Investment Committee in November 2019. These targets balance the tradeoff between achieving full funding, the risk of low funding and the risk of higher contribution rates based on the CalSTRS Funding Plan.

In January 2020, the Investment Committee was presented with a plan to navigate from the current asset allocation to the new long-term targets.

As part of the Asset Liability Management (ALM) process, the CalPERS Board of Administration (the Board) reviewed the capital market assumptions and economic assumptions in June 2020.

In June 2020, CalPERS’ investment staff presented updates on capital market assumptions and economic assumptions to the Board. The capital market assumptions update compared the 10-year 2020 expected returns to 2017 for the PERF and 2018 for the affiliates. The economic assumptions presented an economic overview based on the unprecedented impact caused by COVID-19. Topics addressed were U.S. unemployment, U.S. GDP, U.S. & Global responses, and the economic uncertainty forecasted. Last, the Board received a presentation regarding next step planning and preparation for the ALM cycle set to begin in 2021.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	CalSTRS	
	Assumed Assets Allocation	Long Term Expected Rate of Return*
Public Equity	42.00%	4.80%
Fixed Income	12.00%	1.30%
Inflation Sensitive	6.00%	3.30%
Private Equity	13.00%	6.30%
Real Estate	15.00%	3.60%
Liquidity	2.00%	-0.40%
Risk Mitigating Strategies	10.00%	1.80%

* 20-year average

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

	CalPERS		
Asset Class	Assumed Asset Allocation	Real Return (Years 1-10) *	Real Return (Years 11+) #
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%

* An expected inflation of 2.00% used for this period

An expected inflation of 2.92% used for this period

Sensitivity of Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each plan, calculated using the discount rate for each plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalPERS	CalSTRS
1% Decrease	6.15%	6.10%
Net Pension Liability	\$ 220,814,026	\$ 579,968,418
Current Discount Rate	7.15%	7.10%
Net Pension Liability	\$ 153,590,274	\$ 383,866,240
1% Increase	8.15%	8.10%
Net Pension Liability	\$ 97,797,933	\$ 221,956,277

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and CalSTRS financial reports.

17. JOINT POWERS AGREEMENTS

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. Summarized below is certain information on the entity.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Alliance of Schools for Cooperative Insurance Programs (ASCIP)

Purpose: Arrange for and provide property and liability insurance for its members.

Participants: Other governmental agencies.

Governing Board: A representative from each member.

	June 30, 2021 Audited
Total Assets	\$ 530,515,094
Total Liabilities	303,794,649
Net Position	\$ 226,720,445
Total Revenues	\$ 278,849,860
Total Expenditures	276,495,128
Net Increase (Decrease) in Net Position	\$ 2,354,732

18. RISK MANAGEMENT

Property and Liability

The Property and Liability Program, for which the District retains risk of loss, is administered by the Self-Insurance Fund. Excess property and liability coverage is obtained through Alliance of Schools for Cooperative Insurance Programs (ASCIP). General liability claims in excess of a \$100,000 self-insured retention are covered up to \$5,000,000 per occurrence. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Workers' Compensation

Worker's compensation claims in excess of a \$500,000 self-insured retention are covered up to \$10,000,000 per occurrence through ASCIP.

Employee Medical Benefits

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

Unpaid Claims Liability

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.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

The following represents the changes in approximate aggregate liabilities for the District’s workers’ compensation and health insurance program from July 1, 2019 to June 30, 2021:

	Health Insurance	Workers' Compensation
Liability Balance, July 1, 2019	\$ 3,577,814	\$ 6,421,471
Claims and Changes in estimate	29,206,237	804,090
Claims Payments	(30,388,676)	(1,485,589)
Liability Balance, June 30, 2020	2,395,375	5,739,972
Claims and Changes in estimate	30,786,977	4,994,003
Claims Payments	(29,598,611)	(3,721,033)
Liability Balance, June 30, 2021	\$ 3,583,741	\$ 7,012,942

19. COMMITMENTS AND CONTINGENCIES

A. Federal and State Allowances, Awards and Grants

The District has received Federal and State funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to 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. Litigation

Various claims and litigation involving the District are currently outstanding. However, management of the District believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District’s financial position or results of operations.

C. Construction Commitments

As of June 30, 2021, the District had commitments with respect to unfinished capital projects of \$403,829,464 to be paid from a combination of State and local funds.

20. ADJUSTMENT FOR RESTATEMENT

In accordance with GASB Statement No. 84, the activities of the Associated Student Body Funds are now reported as a governmental fund. Net position and fund balance have been restated by \$2,122,886 to reflect the change.

In accordance with GASB Statement No. 84, the activities of the Blended Component Unit-Debt Service Fund are now reported as a governmental fund. Net position and fund balance have been restated by \$11,203,106 to reflect the change.

Required Supplementary
Information

RIVERSIDE UNIFIED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		Actual (GAAP Basis)
	<u>Original</u>	<u>Final</u>	
<u>REVENUES</u>			
Local Control Funding Formula Sources:			
State Apportionments	\$ 227,981,797	\$ 245,219,981	\$ 188,878,670
Education Protection Account Funds	48,316,615	113,411,379	113,411,379
Local Sources	90,811,797	90,546,135	108,554,195
Total LCFF Sources	<u>367,110,209</u>	<u>449,177,495</u>	<u>410,844,244</u>
Federal Revenues	60,664,596	108,058,295	63,427,976
Other State Revenues	72,004,133	116,336,462	98,227,329
Other Local Revenues	7,995,835	13,401,392	11,174,616
Total Revenues	<u>507,774,773</u>	<u>686,973,644</u>	<u>583,674,165</u>
<u>EXPENDITURES</u>			
Certificated Salaries	219,677,103	226,944,621	234,128,518
Classified Salaries	73,715,192	77,815,324	74,500,036
Employee Benefits	137,073,195	134,614,988	130,750,191
Books and Supplies	25,011,767	136,038,971	36,890,942
Services and Other Operating Expenditures	59,272,691	67,635,353	53,303,882
Other Outgo	243,045	803,079	214,277
Direct Support/Indirect Costs	(751,365)	(762,208)	(831,726)
Capital Outlay	14,485,688	17,533,997	5,573,079
Total Expenditures	<u>528,727,316</u>	<u>660,624,125</u>	<u>534,529,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (20,952,543)</u>	<u>\$ 26,349,519</u>	49,144,966
<u>FUND BALANCE - JULY 1, 2020</u>			<u>77,707,370</u>
<u>FUND BALANCE - JUNE 30, 2021</u>			<u>\$ 126,852,336</u>

See accompanying Notes to Required Supplementary Information.

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Total OPEB Liability	\$ 63,853,427	\$ 63,432,334	\$ 65,800,365	\$ 65,154,526
Plan fiduciary net position	23,593,394	22,638,418	21,612,774	20,707,805
Net OPEB liability	<u>\$ 40,260,033</u>	<u>\$ 40,793,916</u>	<u>\$ 44,187,591</u>	<u>\$ 44,446,721</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Reporting date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Covered payroll	\$ 284,080,304	\$ 292,726,527	\$ 297,764,093	\$ 273,898,274
Net OPEB liability (asset) as a percentage of covered payroll	14.17%	13.94%	14.84%	16.23%
Plan fiduciary net position as a percentage of the total OPEB liability	36.95%	35.69%	32.85%	31.78%
Total OPEB Liability				
Service Cost	\$ 2,108,053	\$ 3,184,349	\$ 3,226,771	\$ 3,148,069
Interest	4,423,775	2,556,643	2,491,952	2,378,137
Changes of benefit terms	-	-	-	329,461
Difference between expected and actual experience	(3,241,829)	12,706,734	(1,879,271)	-
Changes of assumptions	34,934	(18,093,171)	(381,241)	-
Benefit payments	<u>(2,903,840)</u>	<u>(2,722,586)</u>	<u>(2,812,372)</u>	<u>(2,936,140)</u>
Net change in total OPEB liability	421,093	(2,368,031)	645,839	2,919,527
Total OPEB liability - July 1 (a)	<u>63,432,334</u>	<u>65,800,365</u>	<u>65,154,526</u>	<u>62,234,999</u>
Total OPEB liability - June 30 (b)	<u>\$ 63,853,427</u>	<u>\$ 63,432,334</u>	<u>\$ 65,800,365</u>	<u>\$ 65,154,526</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,903,840	\$ 2,722,586	\$ 2,812,372	\$ 22,936,140
Net investment income	1,089,414	1,107,458	1,076,854	773,214
Benefit payments	(2,903,840)	(2,722,586)	(2,812,372)	(2,936,140)
Administrative expense	<u>(134,438)</u>	<u>(81,814)</u>	<u>(171,885)</u>	<u>(65,409)</u>
Net change in plan fiduciary net position	954,976	1,025,644	904,969	20,707,805
Plan Fiduciary Net Position - July 1 (c)	<u>22,638,418</u>	<u>21,612,774</u>	<u>20,707,805</u>	<u>-</u>
Plan Fiduciary Net Position - June 30 (d)	<u>\$ 23,593,394</u>	<u>\$ 22,638,418</u>	<u>\$ 21,612,774</u>	<u>\$ 20,707,805</u>
Net OPEB Liability - Beginning July 1 (a) - (c)	<u>\$ 40,793,916</u>	<u>\$ 44,187,591</u>	<u>\$ 44,446,721</u>	<u>\$ 62,234,999</u>
Net OPEB Liability - Ending June 30 (b) - (d)	<u>\$ 40,260,033</u>	<u>\$ 40,793,916</u>	<u>\$ 44,187,591</u>	<u>\$ 44,446,721</u>

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS LAST TEN FISCAL YEARS*
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>
Contractually determined contribution	\$ 4,827,028	\$ 3,043,646	\$ 3,045,364	\$ 2,936,140
Contributions in relation to the contractually determined contribution	<u>2,903,840</u>	<u>2,722,586</u>	<u>2,812,372</u>	<u>22,936,140</u>
Contribution deficiency (excess)	<u>\$ 1,923,188</u>	<u>\$ 321,060</u>	<u>\$ 232,992</u>	<u>\$ (20,000,000)</u>
Covered-employee payroll	<u>\$ 284,080,305</u>	<u>\$ 292,726,527</u>	<u>\$ 297,764,093</u>	<u>\$ 273,898,274</u>
Contributions as a percentage of covered-employee payroll	<u>1.02%</u>	<u>0.93%</u>	<u>0.94%</u>	<u>8.37%</u>

* 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 LIABILITY – MPP PROGRAM*
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
District's proportionate 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 total OPEB liability	(0.71)%	(0.81)%	0.40%	0.01%

Note to Schedule:

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.

* 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 PENSION LIABILITY
CALPERS LAST TEN FISCAL YEARS*
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CalPERS						
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
District's proportion of the net pension liability	0.50057%	0.54393%	0.55780%	0.55060%	0.50920%	0.49010%	0.47970%
District's proportionate share of the net pension liability	\$ 153,590,274	\$ 158,524,326	\$ 148,732,216	\$ 131,440,402	\$ 100,567,315	\$ 72,241,224	\$ 54,457,630
District's covered-employee payroll	\$ 72,544,191	\$ 75,644,508	\$ 74,012,633	\$ 70,221,774	\$ 61,123,972	\$ 54,339,648	\$ 61,956,188
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.72%	209.56%	200.96%	187.18%	164.53%	132.94%	87.90%
Plan fiduciary net position as a percentage of the total pension liability	70.00%	70.05%	71.00%	72.00%	74.00%	79.00%	83.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying Notes to Required Supplementary Information.

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALSTRS LAST TEN FISCAL YEARS*
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CalSTRS						
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
District's proportion of the net pension liability	0.39611%	0.41625%	0.41930%	0.41180%	0.40300%	0.39800%	0.36700%
District's proportionate share of the net pension liability	\$ 383,866,240	\$ 375,940,350	\$ 385,336,064	\$ 380,853,493	\$ 325,950,430	\$ 267,949,520	\$ 214,463,790
State's proportionate share of the net pension liability associated with the District	<u>130,572,102</u>	<u>132,703,184</u>	<u>220,622,918</u>	<u>225,309,709</u>	<u>185,585,085</u>	<u>141,715,378</u>	<u>129,503,796</u>
Total	<u>\$ 514,438,342</u>	<u>\$ 508,643,534</u>	<u>\$ 605,958,982</u>	<u>\$ 606,163,202</u>	<u>\$ 511,535,515</u>	<u>\$ 409,664,898</u>	<u>\$ 343,967,586</u>
District's covered-employee payroll	\$ 218,833,211	\$ 228,108,477	\$ 225,925,038	\$ 220,000,906	\$ 203,826,337	\$ 184,818,401	\$ 166,812,727
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	175.41%	164.81%	170.56%	173.11%	159.92%	144.98%	128.57%
Plan fiduciary net position as a percentage of the total pension liability	71.82%	72.56%	71.00%	69.00%	70.00%	74.00%	77.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying Notes to Required Supplementary Information.

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALPERS LAST TEN FISCAL YEARS*
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CalPERS						
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required contribution	\$ 14,963,743	\$ 14,306,440	\$ 13,662,911	\$ 11,494,902	\$ 9,752,400	\$ 7,241,357	\$ 6,396,320
Contributions in relation to the contractually required contribution	<u>14,963,743</u>	<u>14,306,440</u>	<u>13,662,911</u>	<u>11,494,902</u>	<u>9,752,400</u>	<u>7,241,357</u>	<u>6,396,320</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 72,288,614	\$ 72,544,191	\$ 75,644,505	\$ 74,012,633	\$ 70,221,774	\$ 61,123,972	\$ 54,339,648
Contributions as a percentage of covered-employee payroll	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying Notes to Required Supplementary Information.

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALSTRS LAST TEN FISCAL YEARS*
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CalSTRS						
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required contribution	\$ 37,055,906	\$ 37,420,479	\$ 37,136,060	\$ 32,600,983	\$ 27,676,114	\$ 21,870,566	\$ 16,411,874
Contributions in relation to the contractually required contribution	<u>37,055,906</u>	<u>37,420,479</u>	<u>37,136,060</u>	<u>32,600,983</u>	<u>27,676,114</u>	<u>21,870,566</u>	<u>16,411,874</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 229,448,334	\$ 218,833,211	\$ 228,108,474	\$ 225,925,038	\$ 220,000,906	\$ 203,826,337	\$ 184,818,401
Contributions as a percentage of covered-employee payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying Notes to Required Supplementary Information.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

These schedules are required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). The schedule presents information as of the measurement date of the net OPEB liability.

Schedule of Proportionate Share of the Net Pension Liability

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportion share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Pension Contributions

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B. SUMMARY OF CHANGES OF BENEFITS OR ASSUMPTIONS

Benefit Changes - PERS

There were no changes to benefit terms that applied to all members of the Schools Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amounts to be separately financed employer-specific liabilities.

Changes of Assumptions – PERS

None.

Changes of Assumptions - STRS

None.

Changes of Assumptions - OPEB

Healthcare Cost Trend Rates were adjusted from 6.50% for 2021 to 4.10%. Future years' rates were also adjusted.

Supplementary Information

RIVERSIDE UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	STUDENT ACTIVITY SPECIAL REVENUE FUND	ADULT EDUCATION FUND	CHILD DEVELOPMENT FUND	CAFETERIA FUND	TOTAL
<u>ASSETS</u>					
Cash:					
Cash in County Treasury	\$ -	\$ 983,169	\$ 575,880	\$ 9,059,883	\$ 10,618,932
Cash on Hand and in Banks	1,935,270	400	-	65,362	2,001,032
Cash in Revolving Fund	2,420	-	-	14,524	16,944
Accounts Receivable	4,233	1,010	68,409	5,589,704	5,663,356
Due from Grantor Governments	-	430,455	-	-	430,455
Due from Other Funds	-	-	-	9,049	9,049
Inventory	130,370	-	-	877,975	1,008,345
Prepaid Expenditures	-	-	364	-	364
Other Current Assets	28,195	-	-	-	28,195
TOTAL ASSETS	\$ 2,100,488	\$ 1,415,034	\$ 644,653	\$ 15,616,497	\$ 19,776,672
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 13,725	\$ 102,199	\$ 34,579	\$ 178,329	\$ 328,832
Due to Grantor Governments	-	193,198	488,876	468,267	1,150,341
Due to Other Funds	-	-	-	499,936	499,936
Total Liabilities	13,725	295,397	523,455	1,146,532	1,979,109
Fund Balances:					
Nonspendable	132,790	-	364	892,499	1,025,653
Restricted	1,953,973	925,467	120,719	13,516,999	16,517,158
Assigned	-	194,170	115	60,467	254,752
Total Fund Balances	2,086,763	1,119,637	121,198	14,469,965	17,797,563
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,100,488	\$ 1,415,034	\$ 644,653	\$ 15,616,497	\$ 19,776,672

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	STUDENT ACTIVITY SPECIAL REVENUE FUND	ADULT EDUCATION FUND	CHILD DEVELOPMENT FUND	CAFETERIA FUND	TOTAL
REVENUES					
Federal Revenues	\$ -	\$ 749,310	\$ 193,252	\$ 23,755,813	\$ 24,698,375
Other State Revenues	-	3,096,171	3,019,397	1,485,738	7,601,306
Other Local Revenues	267,152	179,038	116,013	2,936,586	3,498,789
Total Revenues	267,152	4,024,519	3,328,662	28,178,137	35,798,470
EXPENDITURES					
Instruction	-	2,497,795	2,484,531	-	4,982,326
Instruction-Related Services:					
Supervision of Instruction	-	56,043	529,999	-	586,042
School Site Administration	-	978,757	7,115	-	985,872
Pupil Services:					
Food Services	-	-	5,296	18,760,487	18,765,783
All Other Pupil Services	-	-	67,989	-	67,989
General Administration:					
All Other General Administration	-	97,123	108,658	625,946	831,727
Plant Services	-	204,102	3,876	276,237	484,215
Facilities Acquisition and Construction	-	150,992	-	-	150,992
Ancillary Services	303,275	-	-	-	303,275
Total Expenditures	303,275	3,984,812	3,207,464	19,662,670	27,158,221
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,123)	39,707	121,198	8,515,467	8,640,249
FUND BALANCES - JULY 1, 2020,					
as Previously Reported	-	1,079,930	-	5,954,498	7,034,428
Adjustment for Restatement	2,122,886	-	-	-	2,122,886
FUND BALANCES - JULY 1, 2020,					
as Restated	2,122,886	1,079,930	-	5,954,498	9,157,314
FUND BALANCES - JUNE 30, 2021					
	\$ 2,086,763	\$ 1,119,637	\$ 121,198	\$ 14,469,965	\$ 17,797,563

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND
 JUNE 30, 2021

	BOND INTEREST AND REDEMPTION FUND	BLENDED COMPONENT UNIT	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash:				
Cash in County Treasury	\$ 39,763,065	\$ -	\$ 222,791	\$ 39,985,856
Investments	-	15,733,511	426,934	16,160,445
Accounts Receivable	-	-	186	186
TOTAL ASSETS	\$ 39,763,065	\$ 15,733,511	\$ 649,911	\$ 56,146,487
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Fund Balances:				
Restricted	39,763,065	15,733,511	649,911	56,146,487
TOTAL LIABILITIES AND FUND BALANCE	\$ 39,763,065	\$ 15,733,511	\$ 649,911	\$ 56,146,487

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	BOND INTEREST AND REDEMPTION FUND	BLENDED COMPONENT UNIT	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Other State Revenue	\$ 194,459	\$ -	\$ -	\$ 194,459
Other Local Revenue	29,404,171	10,369,805	12,120	39,786,096
Total Revenues	29,598,630	10,369,805	12,120	39,980,555
<u>EXPENDITURES</u>				
General Administration:				
Other Outgo	-	488,441	-	488,441
Debt Service:				
Principal	19,105,000	4,725,400	1,104,164	24,934,564
Interest	14,367,034	4,899,729	522,915	19,789,678
Total Expenditures	33,472,034	10,113,570	1,627,079	45,212,683
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,873,404)	256,235	(1,614,959)	(5,232,128)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfer In	-	-	1,617,000	1,617,000
Other Financing Uses	-	4,247,170	-	4,247,170
Total Other Financing Sources (Uses)	-	4,247,170	1,617,000	5,864,170
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(3,873,404)	4,503,405	2,041	632,042
<u>FUND BALANCES - JULY 1, 2020,</u> as Previously Reported				
	43,636,469	-	647,870	44,284,339
Adjustment for Restatement	-	11,230,106	-	11,230,106
<u>FUND BALANCES - JULY 1, 2020,</u> as Restated				
	43,636,469	11,230,106	647,870	55,514,445
<u>FUND BALANCES - JUNE 30, 2021</u>				
	\$ 39,763,065	\$ 15,733,511	\$ 649,911	\$ 56,146,487

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2021

	CAPITAL FACILITIES FUND	COUNTY SCHOOL FACILITIES FUND	SPECIAL RESERVE FUND	BLENDED COMPONENT UNIT FUND	TOTAL
<u>ASSETS</u>					
Cash:					
Cash in County Treasury	\$ 16,314,756	\$ 1,175	\$ 9,238,397	\$ -	\$ 25,554,328
Cash on Hand and in Banks	247,751	-	-	-	247,751
Investments	-	-	-	3,946,596	3,946,596
Accounts Receivable	550,319	-	17,601	-	567,920
Due from Other Funds	-	-	1,175	-	1,175
TOTAL ASSETS	<u>\$ 17,112,826</u>	<u>\$ 1,175</u>	<u>\$ 9,257,173</u>	<u>\$ 3,946,596</u>	<u>\$ 30,317,770</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 3,164,756	\$ -	\$ 1,378,954	\$ -	\$ 4,543,710
Due to Other Funds	101,901	1,175	205,520	-	308,596
Total Liabilities	<u>3,266,657</u>	<u>1,175</u>	<u>1,584,474</u>	<u>-</u>	<u>4,852,306</u>
Fund Balances:					
Restricted	13,842,907	-	-	3,946,596	17,789,503
Assigned	3,262	-	7,672,699	-	7,675,961
Total Fund Balances	<u>13,846,169</u>	<u>-</u>	<u>7,672,699</u>	<u>3,946,596</u>	<u>25,465,464</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,112,826</u>	<u>\$ 1,175</u>	<u>\$ 9,257,173</u>	<u>\$ 3,946,596</u>	<u>\$ 30,317,770</u>

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CAPITAL FACILITIES FUND	COUNTY SCHOOL FACILITIES FUND	SPECIAL RESERVE FUND	BLENDED COMPONENT UNIT FUND	TOTAL
<u>REVENUES</u>					
Other Local Revenues	\$ 5,026,063	\$ -	\$ 2,580,433	\$ 396,551	\$ 8,003,047
<u>EXPENDITURES</u>					
General Administration:					
All Other General Administration	352,155	-	-	3,960	356,115
Plant Services	930	-	24,344	500,228	525,502
Facilities Acquisition and Construction	4,436,696	-	3,419,117	-	7,855,813
Total Expenditures	4,789,781	-	3,443,461	504,188	8,737,430
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	236,282	-	(863,028)	(107,637)	(734,383)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	-	725,809	-	725,809
Interfund Transfers Out	(1,823,605)	(725,809)	-	-	(2,549,414)
Other Financing Sources	-	-	-	1	1
Other Financing Uses	-	-	-	(616,935)	(616,935)
Total Other Financing Sources (Uses)	(1,823,605)	(725,809)	725,809	(616,934)	(2,440,539)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(1,587,323)	(725,809)	(137,219)	(724,571)	(3,174,922)
FUND BALANCES - JULY 1, 2020	15,433,492	725,809	7,809,918	4,671,167	28,640,386
FUND BALANCES - JUNE 30, 2021	\$ 13,846,169	\$ -	\$ 7,672,699	\$ 3,946,596	\$ 25,465,464

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION AND ORGANIZATION
 JUNE 30, 2021

BOARD OF EDUCATION

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

ADMINISTRATION

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

ORGANIZATION

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>GRADE LEVEL</u>	<u>NUMBER OF DAYS TRADITIONAL CALENDAR</u>	<u>NUMBER OF DAYS MULTITRACK CALENDAR</u>	<u>CREDITED DAYS APPROVED ON FORM J-13A</u>	<u>TOTAL DAYS OFFERRED</u>	<u>COMPLIED WITH INSTRUCTIONAL DAY PROVISION</u>
Kindergarten	181	N/A	N/A	181	Yes
1	181	N/A	N/A	181	Yes
2	181	N/A	N/A	181	Yes
3	181	N/A	N/A	181	Yes
4	181	N/A	N/A	181	Yes
5	181	N/A	N/A	181	Yes
6	181	N/A	N/A	181	Yes
7	180	N/A	N/A	180	Yes
8	180	N/A	N/A	180	Yes
9	181	N/A	N/A	181	Yes
10	181	N/A	N/A	181	Yes
11	181	N/A	N/A	181	Yes
12	181	N/A	N/A	181	Yes

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>GENERAL FUND</u>	(BUDGET)			
	2022*	2021	2020	2019
Revenues and Other Financial Sources	\$ 605,001,093	\$ 583,674,165	\$ 513,399,257	\$ 524,728,903
Expenditures	609,161,996	534,529,199	504,552,187	530,757,243
Other Uses and Transfers Out	-	-	-	-
Total Outgo	609,161,996	534,529,199	504,552,187	530,757,243
Change in Fund Balance	\$ (4,160,903)	\$ 49,144,966	\$ 8,847,070	\$ (6,028,340)
Ending Fund Balance	\$ 154,813,759	\$ 126,852,336	\$ 77,707,370	\$ 68,860,300
Available Reserves	\$ 24,366,490	\$ 21,381,167	\$ 20,182,087	\$ 10,205,760
Reserved for Economic Uncertainties	\$ 24,366,490	\$ 21,381,167	\$ 20,182,087	\$ 10,205,760
Unassigned Fund Balance	\$ -	\$ -	\$ -	\$ -
Available Reserves as a Percentage of Total Outgo	4.00%	4.00%	4.00%	1.92%
Total Long-Term Debt	N/A	\$ 979,065,630	\$ 1,001,974,171	\$ 849,111,924
Average Daily Attendance at P-2	37,300	38,315	38,315	38,771

The General Fund balance has increased by \$57,992,036 over the past two years. The fiscal year 2021-22 budget projects a decrease of \$4,160,903. For a district this size, the State requires available reserves of at least 2% of total General Fund expenditures, transfers out, and other uses. Riverside Unified School District has met the State's minimum requirements.

Average daily attendance has decreased by 456 ADA over the past two years. A decrease of 1,015 ADA is anticipated during fiscal year 2021-22.

* Based on July 1 budget, included for analytical purposes only and has not been subjected to audit.

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CLUSTER EXPENDITURES	FEDERAL EXPENDITURES
U.S. Department of Treasury: Passed through the California Department of Education (CDE):				
* Coronavirus Relief	21.019	25516	\$	<u>29,412,166</u>
U.S. Department of Education: Passed through the California Department of Education (CDE): Special Education Cluster:				
Local Assistance	84.027	13379	\$	7,623,216
Private Schools ISPs	84.027	10115		18,263
Early Intervention, Part C	84.181	23761		134,487
Special Ed Mental Health	84.027A	14468		448,125
Alternative Dispute Resolution	84.027A	13007		29,202
Special Ed - Preschool	84.173	13430		<u>188,374</u>
Total Special Education Cluster				8,441,667
Title I Grants to LEA Cluster:				
* Title I, Part A	84.010	14329		7,138,577
School Improvement (CSI) Funding	84.010	15438		<u>328,703</u>
Total Title I Cluster				7,467,280
Carl D. Perkins Career & Technical Education	84.048	14894		302,398
* CARES Act ESSER	84.425	15536		6,005,266
* CARES Act ESSER II	84.425	15547		3,825,366
* CARES Act GEER LLM	84.425C	15517		1,396,535
* Title II, Part A, Supporting Effective Instruction	84.367	14341		1,046,172
Title IV, Part B, 21st Century	84.287	14349, 14765		896,009
Title X, McKinney-Vento Homeless Assistance	84.196	14332		230,960
We Can Work	84.126A	01110		13,639
Title III Cluster:				
Title III, LEP	84.365	10084		524,951
Title III, Immigrant Education Program	84.365	15146		<u>4,196</u>
Total Title III Cluster				529,147
Title IV, Student Support & Academic Enrichment Grant	84.424	15396		<u>450,152</u>
Total Department of Education				<u>30,604,591</u>
U.S. Department of Health and Human Services: Passed through the CDE:				
Medi-Cal Billing Option	93.778	10060		726,015
Medi-Cal Administrative Activities	93.778	10013		<u>433,175</u>
Total Medi-Cal Cluster				1,159,190
* Major Programs Tested				

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CLUSTER EXPENDITURES	FEDERAL EXPENDITURES
<u>GENERAL FUND (CONTINUED)</u>				
Passed through RCOE:				
Headstart	93.600	10016	\$ 1,311,310	
Headstart Child Care Partnership Grant	93.600	15291	<u>64,803</u>	
Total Headstart Cluster				\$ <u>1,376,113</u>
Total Health and Human Services				<u>2,535,303</u>
U.S. Department of Defense:				
Direct:				
Reserve Officer Training Corps (ROTC)	12.357	none		<u>696,819</u>
National Science Foundation				
Direct:				
Riverside Air Monitoring	47.076	none		<u>179,097</u>
Total General Fund				<u>63,427,976</u>
<u>CHILD DEVELOPMENT FUND</u>				
U.S. Department of Health and Human Services:				
Passed through the CDE:				
CRRSA One Time Stipend	93.575	15555		<u>193,252</u>
<u>ADULT EDUCATION FUND</u>				
U.S. Department of Education:				
Passed through the California Department of Education (CDE):				
Adult Basic Education Cluster	84.002A	14508	393,402	
Adult Secondary Education	84.002	13978	<u>355,908</u>	
Total Adult Education Cluster				<u>749,310</u>
<u>CAFETERIA FUND</u>				
U.S. Department of Agriculture:				
Passed through the CDE:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	13523	10,673,750	
Especially Needy Breakfast Program	10.553	13526	<u>5,837,463</u>	
Total Child Nutrition Cluster				16,511,213
Local Food Promotion	10.172	none		175,608
Donated Food Commodities	10.558	13389		350,578
* Child and Adult Care Food	10.558	13393		<u>4,511,490</u>
Total Department of Agriculture				<u>21,548,889</u>

* Major Programs Tested

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CLUSTER EXPENDITURES	FEDERAL EXPENDITURES
<u>CAFETERIA FUND (CONTINUED)</u>				
U.S. Department of Education				
Passed through the CDE:				
COVID CARES Act Meal Reimbursement Rate Increase	84.425	15535		\$ 1,653,970
U.S. Department of Agriculture:				
Passed through the City of Riverside:				
CalFresh	10.551	unk		114,880
U.S. Department of Agriculture:				
Direct:				
Farmer to Families Food Box Program	10.132	none		<u>438,074</u>
Total Cafeteria Fund				<u>23,755,813</u>
Total Federal Expenditures				<u>\$ 88,126,351</u>

RIVERSIDE UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT FORM
WITH AUDITED FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CAFETERIA FUND
June 30, 2021 Annual Financial and Budget Report Form Fund Balances/Net Position	\$ 13,643,285
Increase (Decrease) Inventory for : Understatement	826,680
June 30, 2021 Audited Financial Statement Fund Balances/Net Position	\$ 14,469,965

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

SCHEDULE 6

RIVERSIDE UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>CHARTER SCHOOLS</u>	<u>CHARTER #</u>	<u>INCLUSION IN FINANCIAL STATEMENTS</u>
REACH Leadership Academy	1409	Not Included

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

RIVERSIDE UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021

1. PURPOSE OF SCHEDULES

A. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the incentives for Longer Instructional Day. This schedule presents data that shows whether the District complied with Article 8 (commencing with Section 46300) of Chapter 2 of Part 26 of the Education Code.

B. 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.

C. Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Riverside Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined and combining financial statements.

The Uniform Guidance requires a disclosure of the financial activities of all Federally funded programs. This schedule was prepared to comply with the Uniform Guidance. The District did not elect to use the 10 percent de minimis cost rate.

D. Reconciliation of Annual Financial and Budget Report Form with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt as reported on the SACS Form to the audited financial statements.

E. Schedule of Charter Schools

This schedule provides a list of Charter Schools sponsored by the District and specifies whether the Charter Schools are included in these financial statements.



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

Independent Auditor's Report

To the 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, 2021, and the related notes to the financial statements, which collectively comprise Riverside Unified School District's basic financial statements, and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

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

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

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

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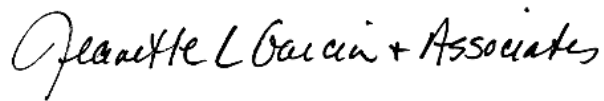
We noted certain matters that we reported to management of Riverside Unified School District in a separate letter dated January 31, 2022.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverside Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

San Bernardino, California
January 31, 2022



Jeanette L. Garcia,
CPA

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

Independent Auditor's Report

To the Board of Education
Riverside Unified School District
Riverside, California

Report on Compliance for Each Major Federal Program

We have audited Riverside Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Riverside Unified School District's major federal programs for the year ended June 30, 2021. Riverside Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of audit findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Riverside Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Riverside Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Riverside Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2021.

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Report on Internal Control Over Compliance

Management of Riverside Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Riverside Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Riverside Unified School District's 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, 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 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.

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

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.



San Bernardino, California
January 31, 2022



Jeanette L. Garcia,
CPA

INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

To the Board of Education
Riverside Unified School District
Riverside, California

Report on State Compliance

We have audited the District’s compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the California Education Audit Appeals Panel that could have a direct and material effect on each of the District’s state programs identified below for fiscal year ended June 30, 2021.

Management’s Responsibility for State Compliance

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. 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 *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District’s compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

Member:		<u>Procedures Performed</u>
American Institute of Certified Public Accountants	Local Education Agencies Other Than Charter Schools: Attendance and Distance Learning Teacher Certification and Misassignments Kindergarten Continuance	Yes Yes Yes
California Society of Certified Public Accountants	Instructional Time Instructional Materials	Yes Yes


	<u>Procedures Performed</u>
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
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Yes
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study-Coursed Based	Not Applicable
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Charter School Facility Grant Program	Not Applicable

Opinion on State Compliance

In our opinion, Riverside Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2021.

Purpose of This Report

The purpose of this report on state compliance is solely to describe the scope and results of testing based on the requirements of the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



San Bernardino, California
January 31, 2022

Findings and Recommendations

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

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiencies identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None Reported	

Noncompliance material to financial statements noted? _____ Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiencies identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None Reported	

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Part 200, Section 200.516 Audit Findings paragraph (a)? _____ Yes No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Food Care Program
21.019	Coronavirus Relief
84.010	Title I
84.367	Title II
84.425	Education Stabilization Fund (ESSER)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,646,336

Auditee qualified as low-risk auditee? _____ Yes _____ No

State Awards

Internal control over state programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiencies identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None Reported	

Noncompliance material to financial statements noted? _____ Yes No

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

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

Section II – Financial Statement Findings

None Reported.

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

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

Prior Year Findings and Recommendations:

FINDINGS 2020-001
Code 10000
Attendance Reporting

Criteria: In order to qualify for apportionment attendance, a student must be scheduled to attend school for at least the statutory minimum day requirement for the grade level and program enrolled. As per Education Code (CDE) Section 46142(a), the minimum school day in any junior high school or high school is 240 minutes and is calculated using the two-day averaging rule. However, the absolute minimum day for these grade levels may not fall below 180 minutes.

Condition: Based on our testing, it appears that some high school students did not meet the required minimum daily instructional minutes in accordance with CDE Sec.46142 (a). Students who attended four or five classes per day were not enrolled for the minimum school day on final exam days.

Questioned Costs: Not applicable

Context: We reviewed the District's Modified Day Bell Schedule of King High School and discovered the noncompliance.

Effect: The attendance on final exam days for students with four to five classes is not allowable because the students are not enrolled for the statutory minimum day. There is no effect on ADA for this finding because the District removed the ADA before they filed the Second Period Report of Attendance. Attendance was overstated in Grades 9-12 by 574 days at Second Period, and the District has already submitted revised attendance reports.

Cause: Unknown

Recommendation: The District should review the bell schedules and policies for student enrollment to ensure that all students are enrolled for the statutory minimum day.

Status: Due to Distance Learning, students did not have traditional schedules in 2020/21. We will follow up on this finding in 2021/22.



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To the Board of Education
Riverside Unified School District
Riverside, California

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Unified School District, for the year ended June 30, 2021, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

However, during our audit we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent non-material conditions noted during the audit that we consider important enough to bring to your attention. We previously reported on the District’s internal control over financial reporting in our report dated January 31, 2022. The Findings and Recommendations section of the audit report dated January 31, 2022, contains certain reportable conditions in the District’s internal control over financial reporting. This letter does not affect our report dated January 31, 2022 on the financial statements of Riverside Unified School District.

Capital Assets and Depreciation

The District’s capital asset and depreciation records are inadequate. The District engaged an outside appraisal company to prepare an inventory of the District’s equipment, but not buildings and improvements. Itemized listings for buildings and improvements have not been maintained by the District and the District has relied on the auditor to calculate current year depreciation expense for years. Land costs have not changed in several years and it appears that new land purchases may have been included in WIP and later transferred to buildings and improvements. The District has a good inventory system for noncapital equipment and should use that as a model for a revised capital asset inventory.

We will review the status of these recommendations during our next audit engagement. We have discussed these comments and suggestions with various District personnel, and we will be pleased to discuss these in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the management, Board of Education, Riverside County Office of Education, others within the District, State Controller’s Office, Department of Finance, Department of Education, and pass-through entities, however, this report is a matter of public record.

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San Bernardino, California
January 31, 2022