

**JURUPA UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2021**

NIGRO & NIGRO^{PC}

JURUPA UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2021

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JURUPA UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2021

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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Education
Jurupa Unified School District
Jurupa Valley, 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 Jurupa Unified School District, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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.

Auditors' 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to 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 Jurupa Unified School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District has implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. Accordingly, the beginning net position on the Statement of Activities and the beginning fund balance on the Statement of Revenues, Expenditures, and Changes in Fund Balances have been restated to adopt this standard. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

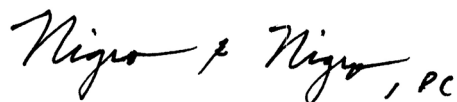
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information, 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 the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The supplementary information on pages 71 to 75 and the schedule of expenditures of federal awards on page 76 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information on page 70 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
January 24, 2022

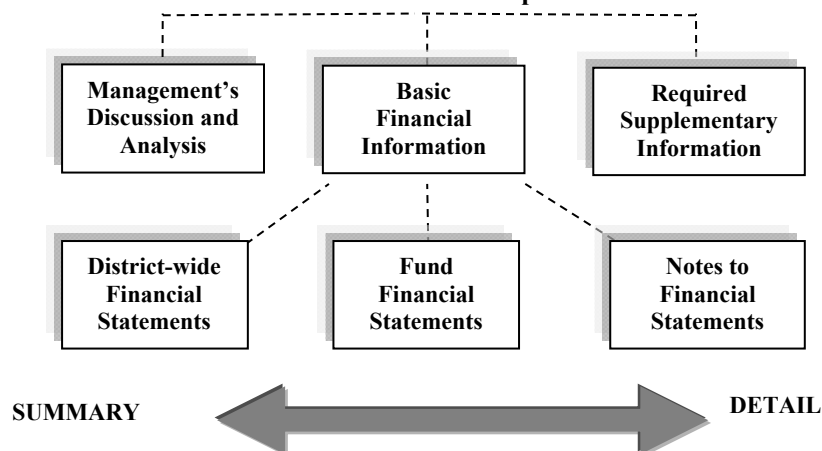
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

FINANCIAL HIGHLIGHTS

- ## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



JURUPA UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

District-Wide Statements

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

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

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.
- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

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

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

The District has three kinds of funds:

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.
- **Proprietary funds** – When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the District-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured program for liability and property losses.

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

- **Fiduciary funds** – Fiduciary funds are used to account for assets held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's fiduciary funds include Debt Service Fund for Special Tax Bonds. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the District's fiduciary funds are provided in the form of combining statements elsewhere in the report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2021, than it was the year before – increasing 340.6% to \$93.1 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		Variance Increase (Decrease)
	2021	2020*	
Assets			
Current assets	\$ 247,503,031	\$ 178,596,385	\$ 68,906,646
Capital assets	386,417,598	375,004,588	11,413,010
Total assets	633,920,629	553,600,973	80,319,656
Deferred outflows of resources	78,525,851	82,585,271	(4,059,420)
Liabilities			
Current liabilities	26,465,182	32,172,887	(5,707,705)
Long-term liabilities	296,471,894	320,150,397	(23,678,503)
Net pension liability	259,769,922	246,976,247	12,793,675
Total liabilities	582,706,998	599,299,531	(16,592,533)
Deferred inflows of resources	36,600,292	15,746,215	20,854,077
Net position			
Net investment in capital assets	204,325,189	198,488,782	5,836,407
Restricted	114,705,595	55,239,640	59,465,955
Unrestricted	(225,891,594)	(232,587,924)	6,696,330
Total net position	\$ 93,139,190	\$ 21,140,498	\$ 71,998,692

* As restated

Changes in net position, governmental activities. The District's total revenues increased 30.7% to \$361.9 million (See Table A-2). The increase is due primarily to an increase in Federal and State revenues.

The total cost of all programs and services increased 1.8% to \$289.9 million. The District's expenses are predominantly related to educating and caring for students, 82.5%. The purely administrative activities of the District accounted for just 3.9% of total costs. A significant contributor to the increase in costs was due to an increase in instruction related costs.

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities		Variance Increase (Decrease)
	2021	2020	
Revenues			
Program Revenues:			
Charges for services	\$ 3,046,006	\$ 2,361,688	\$ 684,318
Operating grants and contributions	86,651,914	40,081,822	46,570,092
Capital grants and contributions	40,634,876	8,385	40,626,491
General Revenues:			
Property taxes	61,277,865	54,654,362	6,623,503
Federal and state aid not restricted	167,395,280	174,820,130	(7,424,850)
Other general revenues	2,909,893	4,939,898	(2,030,005)
Total Revenues	361,915,834	276,866,285	85,049,549
Expenses			
Instruction-related	211,454,232	197,951,880	13,502,352
Pupil services	27,602,597	32,538,378	(4,935,781)
Administration	11,425,764	6,971,585	4,454,179
Plant services	27,031,309	35,246,780	(8,215,471)
All other activities	12,403,240	12,193,699	209,541
Total Expenses	289,917,142	284,902,322	5,014,820
Increase (decrease) in net position	\$ 71,998,692	\$ (8,036,037)	\$ 80,034,729
Net Position	\$ 93,139,190	\$ 21,140,498	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$223.3 million, which is greater than last year's ending fund balance of \$149.5 million. The primary cause of the increased fund balance is the receipt of \$40.6 million of State School Facilities funds, which will be spent in future periods.

Table A-3: The District's Fund Balances

Fund	Fund Balances				
	July 1, 2020*	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2021
General Fund	\$ 42,522,569	\$ 292,921,522	\$ 254,962,346	\$ -	\$ 80,481,745
Special Reserve Fund for Other than					
Capital Outlay	1,931,030	3,180	-	-	1,934,210
Student Activity Fund	901,883	167,547	213,329	-	856,101
Adult Education Fund	424,818	1,424,537	1,180,839	-	668,516
Child Development Fund	178,248	2,493,617	2,147,975	-	523,890
Cafeteria Fund	112,407	5,941,131	5,648,295	-	405,243
Building Fund	27,481,304	109,029	11,685,541	1,554,521	17,459,313
Capital Facilities Fund	3,886,655	2,983,846	243,401	-	6,627,100
County School Facilities Fund	212	40,634,877	-	-	40,635,089
Special Reserve Fund (Capital Outlay)	23,349,347	6,885,152	4,399,530	-	25,834,969
Capital Outlay Fund for Blended					
Component Units	28,562,644	1,085,288	2,940,369	(703,724)	26,003,839
Bond Interest and Redemption Fund	20,065,764	14,191,559	12,850,406	392,406	21,799,323
Foundation Private Purpose Trust Fund	55,492	11,221	18,241	-	48,472
	\$ 149,472,373	\$ 368,852,506	\$ 296,290,272	\$ 1,243,203	\$ 223,277,810

* As restated

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

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

- Revenues – increased by \$43.6 million primarily to reflect increased estimated federal and state budget actions.
- Expenditures – increased \$8.7 million mainly due to revised cost estimates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2020-21 the District had acquired \$21.6 million in new capital assets, related to construction in progress, site improvements, and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$10.1 million.

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

	Governmental Activities		Variance Increase (Decrease)
	2021	2020	
Land	\$ 16,018,583	\$ 16,018,583	\$ -
Improvement of sites	10,505,533	10,592,703	(87,170)
Buildings	293,199,196	301,017,264	(7,818,068)
Equipment	17,524,085	13,272,312	4,251,773
Construction in progress	49,170,201	34,103,726	15,066,475
Total	<u>\$ 386,417,598</u>	<u>\$ 375,004,588</u>	<u>\$ 11,413,010</u>

The District is anticipating continued new construction and modernization projects.

Long-Term Debt

At year-end the District had \$296.5 million in long-term debt other than pensions – a decrease of 7.4% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements).

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

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

	Governmental Activities		Variance Increase (Decrease)
	2021	2020	
General obligation bonds	\$ 179,240,182	\$ 182,849,235	\$ (3,609,053)
Lease revenue bonds	32,585,213	32,598,112	(12,899)
Certificates of participation	2,845,000	3,450,000	(605,000)
Site lease agreement	-	380,000	(380,000)
Energy efficiency financing	20,471,722	22,282,349	(1,810,627)
Capital leases	127,808	207,504	(79,696)
Redevelopment agency	200,000	400,000	(200,000)
Compensated absences	4,548,947	4,278,957	269,990
Early retirement incentives	7,725,385	3,920,611	3,804,774
Other postemployment benefits	48,727,637	69,783,629	(21,055,992)
Total	<u>\$ 296,471,894</u>	<u>\$ 320,150,397</u>	<u>\$ (23,678,503)</u>

Net pension liability increased during the year by \$12.8 million.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The State Legislature Passed a Final Budget Package on June 28, 2021. The final budget package largely reflected the Legislature's approach on State Appropriations Limit (SAL)-related choices and choices to use funding from the American Rescue Plan (ARP) to offset General Fund costs. The budget package assumes that 2021-22 will end with nearly \$21 billion in total reserves. This consists of: (1) \$15.8 billion in the Budget Stabilization Account (BSA), (2) \$4 billion in Special Fund for Economic Uncertainties, and (3) \$900 million in the Safety Net Reserve, which is available for spending on the state's safety net programs, like Medi-Cal. In addition, the Proposition 98 Reserve (dedicated to school and community college spending) would reach \$4.5 billion under the spending plan.

Budget Also Commits \$27 Billion in ARP Fiscal Relief Funds

The ARP included \$350 billion in flexible funding to state and local governments for fiscal recovery in the Coronavirus State Fiscal Recovery Fund. Of this total, California's state government received about \$27 billion. The state has until December 31, 2024 to use the funds for any of the following purposes: (1) to respond to the public health emergency or negative economic impacts associated with the emergency; (2) to support essential work; (3) to backfill a reduction in total revenues that have occurred relative to the pre-pandemic trajectory; or (4) for water, sewer, or broadband infrastructure.

Significant Increase in School and Community College Funding

Proposition 98 (1988) established the minimum annual funding level for schools and community colleges. This funding requirement depends upon various formulas that adjust for several factors, including changes in state General Fund revenue. For 2020-21, the minimum requirement is up \$22.5 billion (31.8 percent) compared with the estimates made in June 2020. This increase represents the largest upward revision since the passage of Proposition 98 and is due to higher General Fund revenue estimates. For 2021-22, the minimum requirement increases by an additional \$309 million (0.3 percent) relative to the revised 2020-21 level.

JURUPA UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2021

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Makes Required Reserve Deposit, Pays Down Deferrals, and Funds New Programs

When the minimum funding requirement is growing quickly, the Constitution requires the state to deposit some of the available funding into a statewide reserve account for schools and community colleges. Under the June 2021 budget plan, the total required deposit is \$4.5 billion—\$1.9 billion in 2020-21 and \$2.6 billion in 2021-22. The largest discretionary allocation of Proposition 98 funding is \$12.5 billion to pay down the deferrals the state adopted as part of the June 2020 budget plan. Beginning in 2021-22, schools and community colleges will receive all of their funding according to the regular monthly payment schedule. The budget allocates the remaining funds for significant one-time and ongoing program increases. For schools, these augmentations focus on providing academic support for disadvantaged students, reopening schools and addressing learning loss, enhancing the education workforce, and implementing new curriculum or instructional practices in certain subjects. The community college augmentations focus on increasing the number of full-time faculty, addressing deferred maintenance at campus facilities, and funding basic student needs (including mental health services). The budget also provides a 5.07 percent baseline increase for the primary school and community college funding formulas.

Eliminates Supplemental Payments but Establishes Multiyear Plan to Fund Universal Transitional Kindergarten

Trailer legislation adopted in June 2020 would have required the state to make payments to schools and community colleges on top of the minimum funding requirement beginning in 2021-22. These supplemental payments were intended to accelerate the recovery of school funding from the decline the state anticipated last June. In recognition of the significant revenue increases (and ensuing increases in the guarantee) that have occurred since that time, the June 2021 budget plan repeals these payments. The budget, however, makes another commitment that will increase funding for schools—above the existing minimum requirement—on an ongoing basis. Specifically, it establishes a plan to make all four-year olds eligible for Transitional Kindergarten by 2025-26. (Currently, only children born between September 2 and December 2 are eligible.) The Legislature and the Governor have reached an agreement to cover the associated costs—approximately \$2.7 billion at full implementation—by adjusting the Proposition 98 formulas to increase the share of General Fund revenue allocated to schools.

Meanwhile, the new COVID-19 variants continue to wreak havoc on school re-openings throughout California, as infection rates are on the rise. Complicating matters more is the new requirement that quarantined students no longer have the option of the distance learning model, but must instead be enrolled in independent study. All independent study programs have to demonstrate satisfactory educational progress, provide a plan for synchronous instruction, reflect grade-level standards, develop procedures for re-engaging students who are having trouble participating and provide a plan to transition students back to in-person instruction when their families wish to do so. The trailer bill language also addressed communication with students and families, the requirements of written independent study agreements and resources that must be provided to students. Districts can seek a waiver but only if certain conditions are met.

All of these factors were considered in preparing the Jurupa Unified School District budget for the 2021-22 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Business Office at (951) 360-4157.

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Net Position**June 30, 2021*

	Total Governmental Activities
ASSETS	
Deposits and investments	\$ 218,831,666
Accounts receivable	27,668,840
Inventories	273,390
Prepaid expenses	729,135
Capital assests:	
Non-depreciable assets	65,188,784
Depreciable assets	490,482,983
Less accumulated depreciation	(169,254,169)
Total assets	<u>633,920,629</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	1,762,928
Deferred outflows related to OPEB	11,383,575
Deferred outflows related to pensions	65,379,348
Total deferred outflows of resources	<u>78,525,851</u>
 LIABILITIES	
Accounts payable	23,165,804
Unearned revenue	3,299,378
Long-term liabilities other than pensions:	
Portion due or payable within one year	12,479,364
Portion due or payable after one year	283,992,530
Net pension liability	259,769,922
Total liabilities	<u>582,706,998</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	22,810,792
Deferred inflows related to pensions	13,789,500
Total deferred inflows of resources	<u>36,600,292</u>
 NET POSITION	
Net investment in capital assets	204,325,189
Restricted for:	
Capital projects	73,097,158
Debt service	21,799,323
Categorical programs	18,476,830
Student activity	856,101
Foundation funds	48,472
Self-insurance	427,711
Unrestricted	(225,891,594)
Total net position	<u>\$ 93,139,190</u>

JURUPA UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instructional Services:					
Instruction	\$ 178,544,197	\$ 168,958	\$ 53,937,969	\$ 40,634,876	\$ (83,802,394)
Instruction-Related Services:					
Supervision of instruction	9,789,891	109,864	3,407,083	-	(6,272,944)
Library, media, and technology	4,565,022	-	1,792,854	-	(2,772,168)
School site administration	18,555,122	-	5,544,725	-	(13,010,397)
Pupil Support Services:					
Home-to-school transportation	4,700,172	-	287,633	-	(4,412,539)
Food services	8,690,012	13,554	8,627,034	-	(49,424)
All other pupil services	14,212,413	40,837	4,725,815	-	(9,445,761)
General Administration Services:					
Data processing services	3,015,208	-	285,378	-	(2,729,830)
Other general administration	8,410,556	8,077	2,705,361	-	(5,697,118)
Plant services	27,031,309	663,939	2,062,869	-	(24,304,501)
Ancillary services	1,376,648	-	253,370	-	(1,123,278)
Community services	38,907	-	-	-	(38,907)
Enterprise activities	443,711	-	-	-	(443,711)
Interest on long-term debt	8,736,372	-	-	-	(8,736,372)
Other outgo	1,807,602	2,040,777	3,021,823	-	3,254,998
Total Governmental Activities	<u>\$ 289,917,142</u>	<u>\$ 3,046,006</u>	<u>\$ 86,651,914</u>	<u>\$ 40,634,876</u>	<u>(159,584,346)</u>
General Revenues:					
					61,277,865
					167,395,280
					246,855
					2,250
					2,660,788
					231,583,038
					71,998,692
					20,183,123
					957,375
					21,140,498
					\$ 93,139,190

JURUPA UNIFIED SCHOOL DISTRICT*Balance Sheet - Governmental Funds**June 30, 2021*

	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Deposits and investments	\$ 73,289,016	\$ 40,568,382	\$ 26,002,723	\$ 26,945,357	\$ 21,799,323	\$ 29,364,152	\$ 217,968,953
Accounts receivable	26,284,863	29,185	17,777	17,995	-	1,318,706	27,668,526
Due from other funds	1,611,130	209,337	2,381	-	-	55,393	1,878,241
Inventories	40,461	-	-	-	-	232,929	273,390
Prepaid expenditures	723,510	-	-	-	-	5,625	729,135
Total Assets	<u>\$ 101,948,980</u>	<u>\$ 40,806,904</u>	<u>\$ 26,022,881</u>	<u>\$ 26,963,352</u>	<u>\$ 21,799,323</u>	<u>\$ 30,976,805</u>	<u>\$ 248,518,245</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 16,338,626	\$ 171,815	\$ 187,912	\$ 959,513	\$ -	\$ 2,404,950	\$ 20,062,816
Due to other funds	57,774	-	-	-	-	1,820,467	1,878,241
Unearned revenue	3,136,625	-	-	-	-	162,753	3,299,378
Total Liabilities	<u>19,533,025</u>	<u>171,815</u>	<u>187,912</u>	<u>959,513</u>	<u>-</u>	<u>4,388,170</u>	<u>25,240,435</u>
Fund Balances							
Nonspendable	788,971	-	-	-	-	238,554	1,027,525
Restricted	16,884,806	40,635,089	25,834,969	26,003,839	21,799,323	26,350,081	157,508,107
Committed	35,000,564	-	-	-	-	-	35,000,564
Assigned	5,521,031	-	-	-	-	-	5,521,031
Unassigned	24,220,583	-	-	-	-	-	24,220,583
Total Fund Balances	<u>82,415,955</u>	<u>40,635,089</u>	<u>25,834,969</u>	<u>26,003,839</u>	<u>21,799,323</u>	<u>26,588,635</u>	<u>223,277,810</u>
Total Liabilities and Fund Balances	<u>\$ 101,948,980</u>	<u>\$ 40,806,904</u>	<u>\$ 26,022,881</u>	<u>\$ 26,963,352</u>	<u>\$ 21,799,323</u>	<u>\$ 30,976,805</u>	<u>\$ 248,518,245</u>

JURUPA UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2021

Total fund balances - governmental funds \$ 223,277,810

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.

Capital assets at historical cost	555,671,767	
Accumulated depreciation	<u>(169,254,169)</u>	
Net		386,417,598

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was: (2,667,672)

Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements they are recognized as a deferred outflow of resources. The remaining deferred amounts on refunding at the end of the period were: 1,762,928

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

General obligation bonds payable	179,240,182	
Lease revenue bonds payable	32,585,213	
Certificates of participation payable	2,845,000	
Energy efficiency financing	20,471,722	
Capital leases payable	127,808	
Redevelopment agency	200,000	
Compensated absences payable	4,548,947	
Early retirement incentives	7,725,385	
Other postemployment liabilities	<u>48,727,637</u>	
Total		(296,471,894)

The net pension liability is not due and payable in the current reporting period, and therefore is not reported as a liability in the fund financial statements. (259,769,922)

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

Deferred outflows of resources	65,379,348	
Deferred inflows of resources	<u>(13,789,500)</u>	
		51,589,848

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

Deferred outflows of resources	11,383,575	
Deferred inflows of resources	<u>(22,810,792)</u>	
		(11,427,217)

Internal service funds are used to conduct certain activities for which costs are charged to other funds on full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

427,711

Total net position - governmental activities \$ 93,139,190

JURUPA UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Fiscal Year Ended June 30, 2021

	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
LCFF sources	\$ 202,841,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,841,299
Federal sources	35,910,908	-	-	-	-	5,376,600	41,287,508
Other state sources	40,687,466	40,562,498	-	-	70,012	3,483,125	84,803,101
Other local sources	13,485,029	72,379	6,885,152	1,085,288	14,121,547	4,271,203	39,920,598
Total Revenues	292,924,702	40,634,877	6,885,152	1,085,288	14,191,559	13,130,928	368,852,506
EXPENDITURES							
Current:							
Instructional Services:							
Instruction	166,472,372	-	-	-	-	1,879,136	168,351,508
Instruction-Related Services:							
Supervision of instruction	8,493,923	-	-	-	-	803,356	9,297,279
Instructional library, media and technology	3,753,560	-	-	-	-	2,478	3,756,038
School site administration	18,786,359	-	-	-	-	480,271	19,266,630
Pupil Support Services:							
Home-to-school transportation	4,051,859	-	-	-	-	-	4,051,859
Food services	2,443,286	-	-	-	-	5,505,539	7,948,825
All other pupil services	13,333,125	-	-	-	-	90,537	13,423,662
General Administration Services:							
Data processing services	2,618,250	-	-	-	-	-	2,618,250
Other general administration	7,858,794	-	-	-	-	20,800	7,879,594
Plant services	20,463,161	-	1,002,841	10,957	-	422,235	21,899,194
Ancillary services	1,090,976	-	-	-	-	213,329	1,304,305
Community services	828	-	-	-	-	243	1,071
Enterprise activities	500,000	-	-	-	-	-	500,000
Transfers of indirect costs	(192,927)	-	-	-	-	192,927	-
Capital Outlay	1,244,338	-	717,882	2,929,412	-	11,526,770	16,418,402
Intergovernmental Transfers	1,415,195	-	-	-	-	-	1,415,195
Debt Service:							
Principal	1,825,323	-	1,250,000	-	5,585,000	-	8,660,323
Interest	803,924	-	1,428,807	-	6,873,000	-	9,105,731
Issuance costs	-	-	-	-	392,406	-	392,406
Total Expenditures	254,962,346	-	4,399,530	2,940,369	12,850,406	21,137,621	296,290,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,962,356	40,634,877	2,485,622	(1,855,081)	1,341,153	(8,006,693)	72,562,234
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	-	-	-	-	-	1,554,521	1,554,521
Interfund transfers out	-	-	-	(1,554,521)	-	-	(1,554,521)
Issuance of debt - refunding bond	-	-	-	-	39,975,000	-	39,975,000
Transfers to escrow agent for defeased debt	-	-	-	-	(39,582,594)	-	(39,582,594)
Other proceeds	-	-	-	850,797	-	-	850,797
Total Other Financing Sources and Uses	-	-	-	(703,724)	392,406	1,554,521	1,243,203
Net Change in Fund Balances	37,962,356	40,634,877	2,485,622	(2,558,805)	1,733,559	(6,452,172)	73,805,437
Fund Balances, July 1, 2020, as originally stated	44,453,599	212	23,349,347	28,562,644	20,065,764	32,083,432	148,514,998
Adjustment for Restatement (Note 12)	-	-	-	-	-	957,375	957,375
Fund Balances, July 1, 2020, as restated	44,453,599	212	23,349,347	28,562,644	20,065,764	33,040,807	149,472,373
Fund Balances, June 30, 2021	\$ 82,415,955	\$ 40,635,089	\$ 25,834,969	\$ 26,003,839	\$ 21,799,323	\$ 26,588,635	\$ 223,277,810

JURUPA 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	\$ 73,805,437
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Amounts reported for governmental activities in the statement of activities are different because:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are 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	21,590,879	
Depreciation expense	<u>(10,128,294)</u>	
Net		11,462,585

Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	43,705,323
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The issuance of long-term debt is reported in the governmental funds as a source of financing, but in the government-wide statements it is not reported in the statement of activities, but rather as a long-term liability in the statement of net position. Debt issued, net of issuance premiums, during the period was:	(39,975,000)
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In governmental funds, if debt is issued at a premium or at a discount the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, is amortized as interest over the life of the debt. Amortization of debt issue premium for the period is:	3,944,870
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The amounts paid to the refunded bond escrow agent in excess of the refunded bond at the time of payment are recorded as deferred amounts on the refunding and are amortized over the life of the liability. The amounts added to the deferred outflows in the current year, less the amortization of the deferred amounts in the current year was:	1,286,521
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In the governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period, but owing from the prior period is:	623,717
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In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statements of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:	(49,575)
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In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as an interest expense for the period.	(977,918)
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In the statement of activities, certain operating expenses - compensated absences, for example, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation leave earned exceeded the amounts used by:	(269,990)
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In governmental funds, pension costs are recognized when employer contributions are made, in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between the accrual basis pension costs and actual employer contributions was:	(15,320,511)
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In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:	(2,617,190)
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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:	(3,804,774)
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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 are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:	<u>185,197</u>
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Change in net position of governmental activities	<u>\$ 71,998,692</u>
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JURUPA UNIFIED SCHOOL DISTRICT
Statement of Net Position – Proprietary Fund
June 30, 2021

	Governmental Activities
	Internal Service Fund
ASSETS	
Deposits and investments	\$ 862,713
Accounts receivable	314
Total assets	863,027
LIABILITIES	
Accounts payable	23,684
Estimated claims liability	411,632
Total liabilities	435,316
NET POSITION	
Restricted	\$ 427,711

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2021*

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
In-District premiums	<u>\$ 500,000</u>
OPERATING EXPENSES	
Payments for claims and other operating expenses	<u>316,936</u>
Operating Income (Loss)	183,064
NON-OPERATING REVENUE	
Interest income	<u>2,133</u>
Change in net position	185,197
Net Position, July 1, 2020	<u>242,514</u>
Net Position, June 30, 2021	<u><u>\$ 427,711</u></u>

JURUPA 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 self-insurance premiums	\$ 1,194,542
Cash paid for operating expenses	(754,801)
Net cash provided (used) by operating activities	439,741
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,474
Net increase (decrease) in cash	442,215
Cash, July 1, 2020	420,498
Cash, June 30, 2021	\$ 862,713
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 183,064
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Decrease in due from other funds	694,542
Decrease in accounts payable and due to other funds	(437,865)
Net cash provided (used) by operating activities	\$ 439,741

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Fiduciary Net Position**June 30, 2021*

	Debt Service Funds for Special Tax Bonds
ASSETS	
Deposits and investments	<u>\$ 13,144,257</u>
NET POSITION	
Restricted for CFD debt service	<u><u>\$ 13,144,257</u></u>

JURUPA UNIFIED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021

	Debt Service Funds for Special Tax Bonds
ADDITIONS	
Local property taxes	\$ 6,230,135
All other local revenues	513,405
Total Additions	<u>6,743,540</u>
DEDUCTIONS	
General administration	503,364
Debt service - interest	4,119,763
Debt service - principal	900,000
All other transfers out	1,057,501
Total Deductions	<u>6,580,628</u>
Change in fiduciary net position	<u>162,912</u>
Net position - July 1, 2020, as originally stated	12,838,933
Adjustment for restatement (note 12)	<u>142,412</u>
Net position - July 1, 2020, as restated	<u>12,981,345</u>
Net position - June 30, 2021	<u><u>\$ 13,144,257</u></u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Jurupa Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

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

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

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

The Jurupa School Facilities Corporation's (the "Corporation") financial activity is presented in the financial statements as the Capital Projects for Blended Component Units Fund and the Debt Service for Blended Component Units Fund. Certificates of participation and other debt issued by the Corporation are included as long-term liabilities in the District-wide financial statements. Individually prepared financial statements are not prepared for the Corporation.

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund. The District also maintains a Special Reserve Fund for Other than Capital Outlay. This fund does not currently meet the definition of a special revenue fund as it is not primarily composed of restricted or committed revenue sources. Because this fund does not meet the definition of a special revenue funds under GASB 54, the activity in this fund is being reported within the General Fund.

County School Facilities Fund: This fund is used to account for state apportionments provided for modernization of school facilities under SB50.

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of Presentation (continued)

Major Governmental Funds (continued)

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

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

Non-Major Governmental Funds

The District maintains the following non-major governmental funds:

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

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

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

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

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

Private-Purpose Trust Fund: This fund is used to account separately for gifts or bequests per *Education Code* Section 41031 that benefit individuals, private organizations, or other governments and under which neither principal nor income may be used for purposes that support the District's own programs.

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

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Projects Funds (continued)

Capital Facilities Fund: This fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act.

Proprietary Funds

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

Internal Service Funds: These funds are used to account for services rendered on a cost-reimbursement basis within the District. The District operates property and liability insurance programs that are accounted for in the Internal Service Fund.

Fiduciary Funds

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

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

2. Measurement Focus, Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Measurement Focus, Basis of Accounting (continued)

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

3. Revenues - Exchange and Non-Exchange Transactions

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

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

C. Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have been included as revenue and expenditures as required under generally accepted accounting principles.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Encumbrances

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

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

1. Cash and Cash Equivalents

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

2. Inventories

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

3. Capital Assets

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

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

Description	Estimated Lives
Buildings and Improvements	25-50 years
Furniture and Equipment	15-20 years
Vehicles	8 years

4. Unearned Revenue

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

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

5. Deferred Outflows/Inflows of Resources

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

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Compensated Absences

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

7. Postemployment Benefits Other Than Pensions (OPEB)

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

8. Pensions

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

9. Fund Balances

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

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

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

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Fund Balances (continued)

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

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

10. Net Position

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

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

F. Minimum Fund Balance Policy

During the 2010-11 fiscal year, pursuant to GASB Statement No. 54, the District adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of total General Fund expenditures and other financing uses.

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Property Tax Calendar

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

H. Use of Estimates

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

I. New GASB Pronouncements

The following Statements have been implemented as of June 30, 2021:

1. In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) 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.

2. In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements 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. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement 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.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. New GASB Pronouncements (continued)

2. (continued)

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

J. Future Accounting Pronouncements

GASB pronouncements which will be effective in future periods, are as follows:

1. In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

2. In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

2. (continued)

As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

3. In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

4. In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

4. (continued)

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Earlier application is encouraged and is permitted by topic.

5. In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depending on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

6. In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Governmental funds	\$ 217,968,953
Proprietary funds	862,713
Governmental activities	<u>218,831,666</u>
Fiduciary funds	13,144,257
Total deposits and investments	<u><u>\$ 231,975,923</u></u>

Deposits and investments as of June 30, 2021 consist of the following:

Cash on hand and in banks	\$ 817,261
Cash in revolving fund	25,000
Cash with fiscal agent	106,865
Cash collections awaiting deposit	64
Investments	<u>231,026,733</u>
Total deposits and investments	<u><u>\$ 231,975,923</u></u>

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Pooled Funds (continued)

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2021, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies.

California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2021, \$529,372 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

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 Board recognizes that the chief fiscal officer has fiduciary responsibility for any funds invested outside the county treasury and is subject to prudent investor standards for investment decisions. The investment objectives are to first safeguard the principal of the funds, then to meet liquidity needs, and third to achieve a return on the funds. Maturities of investments held at June 30, 2021 consist of the following:

	Fair Value	Maturity		Fair Value Measurement	Rating
		Less Than One Year	One Year Through Five Years		
Investment maturities:					
Invesco Short-Term Investments Trust Treasury Portfolio	\$ 16,545,617	\$ 16,545,617	\$ -	Level 2	AAAm
County Pool	214,481,116	214,481,116	-	Uncategorized	N/A
Total Investments	<u>\$ 231,026,733</u>	<u>\$ 231,026,733</u>	<u>\$ -</u>		

Investments - Credit Risk

The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2021, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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 represents more than five percent of the District's net investments, outside the county treasury.

Invesco Short-Term Investments Trust Treasury Portfolio	100.0%
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Fair Value Measurements

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

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

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

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

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

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

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Federal Government:							
Categorical aid programs	\$ 6,404,913	\$ -	\$ -	\$ -	\$ 852,456	\$ 7,257,369	\$ -
State Government:							
LCFF revenues	6,083,450	-	-	-	-	6,083,450	-
Lottery	1,268,272	-	-	-	-	1,268,272	-
Child nutrition	-	-	-	-	60,299	60,299	-
Expanded learning opportunity	6,935,573	-	-	-	-	6,935,573	-
Other state resources	2,046,820	-	-	-	185,347	2,232,167	-
Local:							
Special education	3,473,175	-	-	-	-	3,473,175	-
Interest	33,965	29,185	17,777	17,995	19,990	118,912	314
Other	38,695	-	-	-	200,614	239,309	-
Total	\$ 26,284,863	\$ 29,185	\$ 17,777	\$ 17,995	\$ 1,318,706	\$ 27,668,526	\$ 314

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 4 – INTERFUND TRANSACTIONS

A. Balances Due To/From Other Funds

Balances due to/from other funds at June 30, 2021, consisted of the following:

	Due from other funds				Total
	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ 2,381	\$ 55,393	\$ 57,774
Non-Major Governmental Funds	1,611,130	209,337	-	-	1,820,467
Totals	<u>\$ 1,611,130</u>	<u>\$ 209,337</u>	<u>\$ 2,381</u>	<u>\$ 55,393</u>	<u>\$ 1,878,241</u>

General Fund due to Adult Education Fund for grant reimbursement	\$ 5,168
General Fund due to Child Development Fund for grant reimbursement	36,514
General Fund due to Cafeteria Special Revenue Fund for grant reimbursement	13,711
General Fund due to Special Revenue Fund for Capital Outlay Projects Fund for capital outlay	2,381
Adult Education Fund due to General Fund for direct and indirect costs	27,150
Child Development Fund due to General Fund for direct and indirect costs	40,958
Cafeteria Fund due to General Fund for direct and indirect costs	143,022
Cafeteria Fund due to Special Revenue Fund for Other Than Capital Outlay Projects Fund for temporary loan	1,400,000
Building Fund to County School Facilities Fund for capital outlay projects	<u>209,337</u>
Total	<u>\$ 1,878,241</u>

B. Transfers To/From Other Funds

Transfers to/from other funds for the year ended June 30, 2021, consisted of the following:

Capital Projects Fund for Blended Component Units transfer to the Building Fund for CFD reimbursements	<u>\$ 1,554,521</u>
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JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 5 – FUND BALANCES

At June 30, 2021, fund balances of the District's governmental funds were classified as follows:

	General Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Unit	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable:							
Revolving cash	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Stores inventories	40,461	-	-	-	-	232,929	273,390
Prepaid expenditures	723,510	-	-	-	-	5,625	729,135
Total Nonspendable	788,971	-	-	-	-	238,554	1,027,525
Restricted:							
Categorical programs	16,884,806	-	-	-	-	-	16,884,806
Food service programs	-	-	-	-	-	211,154	211,154
Child development programs	-	-	-	-	-	518,265	518,265
Adult education program	-	-	-	-	-	668,516	668,516
Capital projects	-	40,635,089	25,834,969	26,003,839	-	24,086,413	116,560,310
Debt service	-	-	-	-	21,799,323	-	21,799,323
Foundation funds	-	-	-	-	-	48,472	48,472
Student activity funds	-	-	-	-	-	817,261	817,261
Total Restricted	16,884,806	40,635,089	25,834,969	26,003,839	21,799,323	26,350,081	157,508,107
Committed:							
Mgmt & conf. H&W pool	116,789	-	-	-	-	-	116,789
Certificated H&W pool	1,971,440	-	-	-	-	-	1,971,440
Classified H&W pool	1,912,335	-	-	-	-	-	1,912,335
Facilities upgrades due to COVID-19	31,000,000	-	-	-	-	-	31,000,000
Total Committed	35,000,564	-	-	-	-	-	35,000,564
Assigned:							
Site discretionary carryover	1,724,036	-	-	-	-	-	1,724,036
Site donations	252,433	-	-	-	-	-	252,433
Lottery	1,610,352	-	-	-	-	-	1,610,352
Other assignments	1,934,210	-	-	-	-	-	1,934,210
Total Assigned	5,521,031	-	-	-	-	-	5,521,031
Unassigned:							
Reserve for economic uncertainties	7,648,871	-	-	-	-	-	7,648,871
Remaining unassigned balances	16,571,712	-	-	-	-	-	16,571,712
Total Unassigned	24,220,583	-	-	-	-	-	24,220,583
Total	\$ 82,415,955	\$ 40,635,089	\$ 25,834,969	\$ 26,003,839	\$ 21,799,323	\$ 26,588,635	\$ 223,277,810

JURUPA UNIFIED SCHOOL DISTRICT*Notes to Financial Statements**June 30, 2021***NOTE 6 – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance, July 1, 2020	Additions	Decreases	Balance, June 30, 2021
Capital assets not being depreciated:				
Land	\$ 16,018,583	\$ -	\$ -	\$ 16,018,583
Construction in progress	34,103,726	15,066,475	-	49,170,201
Total capital assets not being depreciated	<u>50,122,309</u>	<u>15,066,475</u>	<u>-</u>	<u>65,188,784</u>
Capital assets being depreciated:				
Improvements to sites	29,590,984	188,663	-	29,779,647
Buildings	425,449,451	747,207	262,081	425,934,577
Equipment	30,008,554	5,588,534	828,329	34,768,759
Total capital assets being depreciated	<u>485,048,989</u>	<u>6,524,404</u>	<u>1,090,410</u>	<u>490,482,983</u>
Accumulated depreciation for:				
Improvements to sites	(18,998,281)	(275,833)	-	(19,274,114)
Buildings	(124,432,187)	(8,485,090)	(181,896)	(132,735,381)
Equipment	(16,736,242)	(1,367,371)	(858,939)	(17,244,674)
Total accumulated depreciation	<u>(160,166,710)</u>	<u>(10,128,294)</u>	<u>(1,040,835)</u>	<u>(169,254,169)</u>
Total capital assets being depreciated, net	<u>324,882,279</u>	<u>(3,603,890)</u>	<u>49,575</u>	<u>321,228,814</u>
Governmental activity capital assets, net	<u>\$ 375,004,588</u>	<u>\$ 11,462,585</u>	<u>\$ 49,575</u>	<u>\$ 386,417,598</u>

Depreciation expense is allocated to the following functions in the Statement of Activities:

Instruction	\$ 5,606,932
Instruction Supervision and Administration	12,590
Instruction Library, Media and Technology	239,591
School Site Administration	321,892
Food Services	71,615
All Other Pupil Services	91,211
Ancillary Services	170,944
All Other General Administration	71,985
Centralized Data Processing	85,967
Plant Services	<u>3,455,567</u>
Total	<u>\$ 10,128,294</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS

Changes in long-term debt for the year ended June 30, 2021, were as follows:

	Balance July 1, 2020	Additions	Deductions	Balance, June 30, 2021	Amount Due in One Year
General Obligation Bonds:					
Bond principal	\$ 159,112,972	\$ 39,975,000	\$ 40,565,000	\$ 158,522,972	\$ 6,625,000
Accreted interest component	9,002,299	837,707	-	9,840,006	-
Unamortized issuance premium	14,733,964	-	3,856,760	10,877,204	771,507
Sub-Total GO Bonds	182,849,235	40,812,707	44,421,760	179,240,182	7,396,507
Lease Revenue Bonds:					
Bond principal	29,988,476	-	65,000	29,923,476	135,000
Accreted interest component	605,147	140,211	-	745,358	-
Unamortized issuance premium	2,004,489	-	88,110	1,916,379	88,110
Sub-Total Lease Revenue Bonds	32,598,112	140,211	153,110	32,585,213	223,110
Certificates of Participation	3,450,000	-	605,000	2,845,000	645,000
Capital Leases	207,504	-	79,696	127,808	84,064
Redevelopment Agency	400,000	-	200,000	200,000	200,000
Compensated Absences	4,278,957	269,990	-	4,548,947	-
Early Retirement Incentives	3,920,611	4,784,927	980,153	7,725,385	1,935,612
Other Postemployment Benefits	69,783,629	6,140,322	27,196,314	48,727,637	-
Direct Borrowings and Direct Placements:					
Site Lease Agreement	380,000	-	380,000	-	-
Energy Efficiency Financing	22,282,349	-	1,810,627	20,471,722	1,995,071
Total	\$ 320,150,397	\$ 52,148,157	\$ 75,826,660	\$ 296,471,894	\$ 12,479,364

Payments for general obligation bonds are made by the Bond Interest and Redemption Fund. Payments for the lease revenue bonds, certificates of participation, redevelopment agency, site lease agreement, energy efficiency financing, and capital leases are paid from the General Fund and the Special Reserve Fund for Capital Outlay. Early retirement incentives are paid from the General Fund. Compensated absences will be paid for by the fund for which the employee worked and costs for other postemployment benefits are allocated to all district activities and programs.

A. General Obligation Bonds

Election of 2001

The District received authorization at an election held on November 28, 2001 (Measure C), by an affirmative vote of 64.7% of the votes cast by eligible voters within the District to issue general obligation bonds in an amount not to exceed \$58 million. The proceeds of the bonds were authorized to be used for the acquisition and construction of school facilities and equipment, specifically: repair roofing, plumbing and electrical systems, improve school safety and security, upgrade classroom technology, build and expand science laboratories and libraries, and build new schools and classrooms.

Election of 2014

Pursuant to a regularly scheduled election of the registered voters of the District held on November 4, 2014, at least 55% of the persons voting on the proposition (Measure EE) voted to authorize the issuance and sale of not to exceed \$144 million principal amount of general obligation bonds of the District to finance the construction of new facilities and renovation and improvement at existing schools and to pay costs of issuance of the bonds.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

A. General Obligation Bonds (continued)

2021 General Obligation Refunding Bonds

On May 4, 2021, the District issued \$39,975,000 General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between 0.191% and 2.909% with annual maturities from August 1, 2021 through August 1, 2039. The net proceeds of \$39,582,594 (after delivery costs of \$392,406) were used to advance refund a portion of the District's outstanding 2012 Refunding Bonds and a portion of the District's outstanding 2015 Series A Bonds and pay the costs of issuance.

The refunding decreased the District's total debt service payments by \$2,775,233. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new debt) of \$2,266,134.

Defeasance of Debt

The District has defeased certain bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2021, the principal balance outstanding on the defeased debt amounted to \$34,980,000.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2021, deferred amounts on refunding were \$1,788,830.

A summary of all bonds issued and outstanding at June 30, 2021 follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2020	Issuances	Payments	Advance Refundings	Balance, June 30, 2021
Election of 2001 (Measure C)									
2002	4/2/2002	5/1/2027	4.00% - 5.94%	\$ 30,797,972	\$ 4,922,972	\$ -	\$ -	\$ -	\$ 4,922,972
Election of 2014 (Measure EE)									
2015A	5/27/2015	8/1/2039	2.00% - 5.00%	30,000,000	21,400,000	-	45,000	20,080,000	1,275,000
2017B	1/26/2017	8/1/2041	4.00% - 5.00%	65,640,000	58,185,000	-	-	-	58,185,000
2019C	2/7/2019	8/1/2043	4.00% - 5.25%	48,360,000	48,360,000	-	2,165,000	-	46,195,000
Refunding Bonds									
2011 Refi.	11/2/2011	8/1/2022	2.00% - 5.00%	20,295,000	7,805,000	-	2,340,000	-	5,465,000
2012 Refi.	11/28/2012	8/1/2028	2.625% - 5.000%	25,200,000	18,440,000	-	1,035,000	14,900,000	2,505,000
2021 Refi.	5/4/2021	8/1/2039	0.191% - 2.909%	39,975,000	-	39,975,000	-	-	39,975,000
				<u>\$ 260,267,972</u>	<u>\$ 159,112,972</u>	<u>\$ 39,975,000</u>	<u>\$ 5,585,000</u>	<u>\$ 34,980,000</u>	<u>\$ 158,522,972</u>

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2021, were as follows:

Fiscal Year	Principal	Interest	Total
2021-22	\$ 6,625,000	\$ 5,636,005	\$ 12,261,005
2022-23	5,350,000	5,565,907	10,915,907
2023-24	3,858,556	7,886,726	11,745,282
2024-25	4,240,267	8,018,505	12,258,772
2025-26	4,647,987	8,131,472	12,779,459
2026-31	26,056,162	30,863,132	56,919,294
2031-36	26,955,000	20,124,154	47,079,154
2036-41	44,540,000	12,851,643	57,391,643
2041-44	36,250,000	2,584,513	38,834,513
Total	<u>\$ 158,522,972</u>	<u>\$ 101,662,057</u>	<u>\$ 260,185,029</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

B. Lease Revenue Bonds

On April 2, 2015, the District issued \$29,988,476 in Lease Revenue Bonds. The net proceeds were deposited into the Special Reserve Fund for Capital Outlay Projects to finance school facilities, fund capitalize interest, provide a debt service reserve insurance policy and pay for costs incurred in connection with the issuance of the Bonds, including the premiums for a municipal bond insurance policy and the debt service reserve insurance policy.

Future payments are as follows:

Fiscal Year	Principal	Interest	Total
2021-22	\$ 135,000	\$ 1,277,750	\$ 1,412,750
2022-23	215,000	1,270,750	1,485,750
2023-24	295,000	1,259,075	1,554,075
2024-25	390,000	1,241,950	1,631,950
2025-26	490,000	1,219,950	1,709,950
2026-31	4,310,000	5,568,250	9,878,250
2031-36	6,984,048	5,656,340	12,640,388
2036-41	9,949,428	6,112,572	16,062,000
2041-43	7,155,000	366,625	7,521,625
Total	\$ 29,923,476	\$ 23,973,262	\$ 53,896,738

C. Certificates of Participation

On November 2, 2011, the District issued \$7,220,000 of Refunding Certificates of Participation. The Certificates bear fixed interest rates ranging from 2.0 to 4.375 percent with annual maturities from August 2012 through August 2024. The net proceeds of \$6,915,818 (after delivery costs, underwriter's discount, and original issue discount of \$304,182) were used to prepay the District's outstanding Certificates of Participation (1999 Education Center Project).

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded certificates. As a result, the refunded certificates are considered to be defeased, and the related liability for the certificates has been removed from the District's liabilities.

Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding of \$(25,902) remain to be amortized. As of June 30, 2021, the principal balance on the defeased debt was completely paid.

The annual requirements to amortize the Refunding Certificates of Participation outstanding as of June 30, 2021 were as follows:

Fiscal Year	Principal	Interest	Total
2021-22	\$ 645,000	\$ 106,513	\$ 751,513
2022-23	690,000	79,381	769,381
2023-24	730,000	49,637	779,637
2024-25	780,000	17,063	797,063
Total	\$ 2,845,000	\$ 252,594	\$ 3,097,594

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

D. Capital Leases

The District leases equipment and vehicles having a value of approximately \$575,000 under agreements that provide for title to pass upon expiration of the lease period.

Future minimum lease payments are as follows:

Fiscal Year	Lease Payment
2021-22	\$ 89,255
2022-23	44,627
Total	133,882
Less Amount Representing Interest	(6,074)
Present Value of Net Minimum Lease Payments	<u>\$ 127,808</u>

The District will receive no sublease rental revenues nor pay any contingent rentals for the equipment, classroom or buses.

E. Redevelopment Agency

On February 21, 2007, the District entered into a contract with the redevelopment agency. The contract is for the building of a new stadium at Rubidoux High School. The agreement called for the agency to provide up to \$5 million to the District on a reimbursement basis. \$3 million of the loan is being repaid in annual installments of \$200,000, beginning June 15, 2008. The remaining \$2 million will be repaid from incremental pass through funds received by the District from the agency that exceed the amount received in fiscal year 2005-2006. As of June 30, 2021, \$200,000 was the outstanding balance on this obligation.

F. Early Retirement Incentives

The District has entered into various agreements for early retirement incentives for eligible employees. Eligibility requirements are that certificated employees must be 55 years of age with 5 years of STRS service or 50 years of age with 30 years of STRS service as June 30. In either case, the certificated employee must also have 5 years of service with the District as of the resignation date. Classified employees must have a minimum of 17 years of service and be eligible to retire from STRS/PERS. The agreements require the District to make 5 equal annual installment payments. As of June 30, 2021, the following payments remain outstanding:

Fiscal Year	Payment
2021-22	\$ 1,935,612
2022-23	1,939,127
2023-24	1,937,369
2024-25	956,639
2025-26	956,638
Total	<u>\$ 7,725,385</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

G. Non-Obligatory Debt

Non-obligatory debt relates to debt issuances by the Community Facility Districts, as 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 within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders and may initiate foreclosure proceedings. Special assessment debt of \$96,819,655 as of June 30, 2021, does not represent debt of the District and, as such, does not appear in the financial statements.

H. Other Postemployment Benefits (OPEB) Liability

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:

Pension Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 47,509,948	\$ 11,383,575	\$ 22,810,792	\$ 4,753,389
MPP Program	1,217,689	-	-	105,890
Total	<u>\$ 48,727,637</u>	<u>\$ 11,383,575</u>	<u>\$ 22,810,792</u>	<u>\$ 4,859,279</u>

The details of each plan are as follows:

District Plan

Plan Description

The District's defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

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

Certificated Employees

The District will pay for retiree health coverage (medical and dental) including dependent coverage through age 65 or eligibility for Medicare subject to an annual maximum benefit allotment. The retiree pays for any elected vision coverage. Spouse & dependents coverage (except for COBRA) ceases upon the death of the retiree. The District does not provide any financial contribution for coverage beyond age 65 or Medicare eligibility. Eligibility for retiree health coverage requires reaching normal retirement eligibility under STRS with at least 10 years of service.

The District is contractually obligated to make a flat contribution into a Certificated employee pool which is used to pay the costs for health benefits for Certificated employees. Any shortfall is paid by the Certificated employees in the pool through surcharges. The annual District contribution is \$11,500 negotiated cap per eligible employee. The retired employees pay the same surcharge for their coverage as the active employees.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

H. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

Benefits Provided (continued)

Classified Employees

The District will pay for retiree health coverage (medical, dental and vision) including dependent coverage through age 65 or eligibility for Medicare subject to an annual maximum benefit allotment. For the fiscal year ending June 30, 2021, the annual district contribution is \$11,500 negotiated cap per eligible employee. The retiree pays for any amounts above the District contribution cap. The District contribution cap is pro-rated for Classified part-time employees. Spouse & dependents coverage (except for COBRA) ceases upon the death of the retiree. The District does not provide any financial contribution for coverage beyond age 65 or Medicare eligibility. Eligibility for retiree health coverage requires reaching normal retirement eligibility under PERS with at least 10 years of service.

Management Employees

The District will pay for retiree health coverage (medical, dental and vision) including dependent coverage through age 65 or eligibility for Medicare subject to an annual District contribution cap (currently \$11,500). The retiree pays for any amounts above the annual maximum. Spouse and dependents coverage (except for COBRA) ceases upon the death of the retiree. The District does not provide any financial contribution for coverage beyond age 65 or Medicare eligibility. Eligibility for retiree health coverage requires reaching normal retirement eligibility under PERS/STRS with at least 10 years of service.

Board Members

Retired Board Members are only eligible for COBRA.

Employees Covered by Benefit Terms

At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	341
Active employees	1,880
Total	<u>2,221</u>

Total OPEB Liability

The District's total OPEB liability of \$47,509,948 for the Plan was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

H. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2020
Inflation	2.50 percent
Salary increases	3.00 percent
Healthcare cost trend rates	6.00 percent decreasing to 5.00 percent
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase according to health care trend rates.

Discount Rate

The discount rate is 2.12 percent. This discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

Mortality Rates

Mortality rates are based on the PubG-2010-Nyhart, Generational MP-2018 table for PERS employees and the PubT-2010- Nyhart, Generational MP-2018 table for STRS employees.

Changes in the Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Total OPEB Liability
Balance at January 1, 2020	\$ 68,671,830
Changes for the year:	
Service cost	3,960,558
Interest	2,073,874
Differences between expected and actual experience	(3,166,180)
Changes of assumptions	(21,775,010)
Benefit payments	(2,255,124)
Net changes	(21,161,882)
Balance at December 31, 2020	<u>\$ 47,509,948</u>

JURUPA UNIFIED SCHOOL DISTRICT*Notes to Financial Statements**June 30, 2021***NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)****H. Other Postemployment Benefits (OPEB) Liability (continued)****District Plan (continued)*****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	\$ 51,062,445
Current discount rate	\$ 47,509,948
1% increase	\$ 44,148,733

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	\$ 42,032,601
Current trend rate	\$ 47,509,948
1% increase	\$ 53,984,355

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 \$4,753,389. In addition, at June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date of the net OPEB liability	\$ 966,488	\$ -
Differences between expected and actual experience	6,680,224	2,770,407
Changes of assumptions	3,736,863	20,040,385
Total	<u>\$ 11,383,575</u>	<u>\$ 22,810,792</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

H. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The deferred outflows and inflows of resources related to changes of assumptions and differences between expected and actual experience in the measurement of the total OPEB liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the current measurement period is 8 years, and for the two previous measurement periods it is 7 years.

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 2,083,418	\$ 3,364,461
2023	2,083,418	3,364,461
2024	2,083,418	3,364,461
2025	2,083,418	3,364,461
2026	2,083,415	3,117,649
Thereafter	-	6,235,299
Total	<u>\$ 10,417,087</u>	<u>\$ 22,810,792</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

H. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

Benefits Provided (continued)

As of June 30, 2020, 5,443 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 25930, contributions that would otherwise be credited to the Defined Benefit 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 \$1,217,689 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, 2020, 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. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	<u>Percentage Share of MPP Program</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2021</u>	<u>Fiscal Year Ending June 30, 2020</u>	
Measurement Date	<u>June 30, 2020</u>	<u>June 30, 2019</u>	
Proportion of the Net OPEB Liability	0.287337%	0.298553%	-0.011216%

For the year ended June 30, 2021, the District reported OPEB expense of \$105,890.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 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	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.21%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

H. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial Assumptions and Other Inputs (continued)

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18% of the potentially eligible population of 159,339.

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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP- 2019) table issued by the Society of Actuaries.

Discount Rate

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

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

Discount Rate	MPP OPEB Liability
1% decrease	\$ 1,346,493
Current discount rate	\$ 1,217,689
1% increase	\$ 1,108,084

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

H. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	\$ 1,104,119
Current trend rate	\$ 1,217,689
1% increase	\$ 1,348,427

I. Direct Borrowings and Direct Placements

Site Lease Agreement

On July 1, 2011, the District entered into a site lease agreement with Municipal Asset Finance Corporation, which is considered a direct borrowing. Under the agreement, the Corporation has agreed to finance the acquisition of a warehouse and the costs of certain tenant improvements for the District, and in exchange the District has agreed to lease the Peralta Elementary School property as collateral. In the event of default, the Corporation may repossess the property and re-lease it for the account of the District, in which event the District's obligation will accrue from year to year and the District will continue to receive the value of the use of the property from year to year in the form of credits against its obligation to pay lease payments.

The financing was evidenced by the issuance of \$3,200,000 certificates of participation, and the District made the final payment during 2020-21.

Energy Efficiency Financing

On September 30, 2011, the District approved an energy conservation measure, authorizing approval of the execution and delivery of an equipment/lease purchase agreement for \$27,105,376. On November 1, 2013, the District entered into an energy conservation lease-option facility financing agreement with Western Alliance Bank for energy conservation measures in the amount of \$6,216,491.

The agreements are for the acquisition, purchase, financing and leasing of certain equipment for the public benefit. The structure of the financings includes a site lease between the District and the Jurupa School Facilities Corporation, under which the District leases certain real property and improvements to the Corporation. Under a separate and concurrent lease agreement, the Corporation leases the property back to the District. Under an assignment agreement, the Corporation assigns to the assignee all of the Corporation's rights, title, and interest, in and to the property, including its right to receive the lease payments due under the lease.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

I. Direct Borrowings and Direct Placements (continued)

Energy Efficiency Financing (continued)

Future payments due under the agreements are as follows:

Fiscal Year	Principal	Interest	Total
2021-22	\$ 1,995,071	\$ 704,859	\$ 2,699,930
2022-23	2,235,484	631,512	2,866,996
2023-24	2,457,580	549,766	3,007,346
2024-25	2,716,837	459,930	3,176,767
2025-26	2,961,646	360,896	3,322,542
2026-31	5,484,589	828,248	6,312,837
2031-35	2,620,515	242,023	2,862,538
Total	<u>\$ 20,471,722</u>	<u>\$ 3,777,234</u>	<u>\$ 24,248,956</u>

NOTE 8 – PENSION PLANS

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

For the fiscal year ended June 30, 2021, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 183,738,075	\$ 49,831,710	\$ 11,580,764	\$ 28,235,177
CalPERS	76,031,847	15,547,638	2,208,736	14,573,435
Total	<u>\$ 259,769,922</u>	<u>\$ 65,379,348</u>	<u>\$ 13,789,500</u>	<u>\$ 42,808,612</u>

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

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

Plan Description (continued)

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and non-employer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	16.15%	16.15%
Required State Contribution Rate	10.328%	10.328%

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS)

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill requires portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the Defined Benefit Program.

The contribution rates for each program for the year ended June 30, 2021, are presented above, and the District's total contributions were \$17,218,571.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	\$	183,738,075
State's proportionate share of the net pension liability associated with the District		<u>94,716,999</u>
Total	\$	<u><u>278,455,074</u></u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	
Measurement Date	June 30, 2020	June 30, 2019	
Proportion of the Net Pension Liability	0.189599%	0.193167%	-0.003568%

JURUPA UNIFIED SCHOOL DISTRICT*Notes to Financial Statements**June 30, 2021***NOTE 8 – PENSION PLANS (continued)****A. California State Teachers' Retirement System (CalSTRS) (continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2021, the District recognized pension expense of \$28,235,177. In addition, the District recognized pension expense and revenue of \$2,961,448 for support provided by the State. 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	\$ 17,218,571	\$ -
Net change in proportionate share of net pension liability	7,341,546	3,733,280
Difference between projected and actual earnings on pension plan investments	7,030,315	2,665,756
Changes of assumptions	17,917,065	-
Differences between expected and actual experience	324,213	5,181,728
Total	<u>\$ 49,831,710</u>	<u>\$ 11,580,764</u>

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

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 7,682,684	\$ 4,687,761
2023	9,169,137	1,657,976
2024	9,825,177	1,333,762
2025	3,695,212	1,447,521
2026	1,120,464	1,280,300
Thereafter	1,120,465	1,173,444
Total	<u>\$ 32,613,139</u>	<u>\$ 11,580,764</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price of Inflation	2.75%
Wage Growth	3.50%

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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study.

For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	42%	4.8%
Fixed Income	15%	3.6%
Real Estate	13%	6.3%
Private Equity	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	(0.4%)

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 277,602,637
Current discount rate (7.10%)	183,738,075
1% increase (8.10%)	106,239,661

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954 and 22955.1 of the Education Code and Public Resources Code Section 6217.5. In addition, California Senate Bill No. 90 (SB 90) was signed into law on June 27, 2019, and appropriated supplemental contributions. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is \$10,719,167.

B. California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

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

Benefits Provided

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

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

	Schools Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0 – 2.5%	2.0 – 2.5%
Required Employee Contribution Rate	7.00%	7.00%
Required Employer Contribution Rate	20.70%	20.70%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021 are presented above, and the total District contributions were \$7,308,081.

JURUPA UNIFIED SCHOOL DISTRICT*Notes to Financial Statements**June 30, 2021***NOTE 8 – PENSION PLANS (continued)****B. California Public Employees Retirement System (CalPERS) (continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$76,031,847. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	
Measurement Date	June 30, 2020	June 30, 2019	
Proportion of the Net Pension Liability	0.247797%	0.248816%	-0.001019%

For the year ended June 30, 2021, the District recognized pension expense of \$14,573,435. 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	\$ 7,308,081	\$ -
Net change in proportionate share of net pension liability	706,504	308,182
Difference between projected and actual earnings on pension plan investments	3,483,295	1,900,554
Changes of assumptions	278,812	-
Differences between expected and actual experience	3,770,946	-
Total	<u>\$ 15,547,638</u>	<u>\$ 2,208,736</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARS� for the measurement period is 4.1 years.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

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

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

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 3,752,349	\$ 1,597,081
2023	2,236,190	476,481
2024	1,475,321	64,368
2025	775,697	64,368
2026	-	6,436
Thereafter	-	-
Total	<u>\$ 8,239,557</u>	<u>\$ 2,208,734</u>

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	1997-2015
Actuarial Cost Method	Entry age normal
Discount Rate	7.15%
Consumer Price of Inflation	2.50%
Wage Growth	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92%)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 109,309,645
Current discount rate (7.15%)	76,031,847
1% increase (8.15%)	48,412,945

C. Social Security

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

D. Payables to the Pension Plans

At June 30, 2021, the District reported payables of \$254,292 and \$68,424 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2021.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 9 – JOINT VENTURES

The Jurupa Unified School District participates in joint ventures under joint powers agreements with the Riverside Schools Risk Management Authority (RSRMA) and the Riverside County Employer/Employee Partnership (REEP) for benefits. The relationships between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes.

The RSRMA JPA provides workers compensation insurance coverage for its members and REEP provides health and welfare benefits coverage for its members. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs.

Condensed financial information is as follows:

	REEP Audited June 30, 2020	RSRMA Audited June 30, 2020
Assets	\$ 42,459,776	\$ 15,737,293
Liabilities	6,123,597	2,388,121
Net Position	<u>\$ 36,336,179</u>	<u>\$ 13,349,172</u>
Revenues	\$ 216,023,145	\$ 44,279,602
Expenditures	205,429,841	43,860,001
Operating Income (loss)	10,593,304	419,601
Non-Operating Income	550,650	336,343
Change in Net Position	<u>\$ 11,143,954</u>	<u>\$ 755,944</u>

NOTE 10 – RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2021, the District purchased a commercial insurance policy for property and liability insurance coverage with deductibles of \$10,000 for property and \$50,000 for liability, with the excess coverage provided by SAFER. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021, the District participated in the RSRMA public entity risk pool for workers compensation coverage, with excess coverage provided by the PIPS public entity risk pool.

Employee Medical Benefits

The District has contracted with Kaiser, Anthem Blue Cross HMO, and Anthem Blue Cross PPO to provide employee medical and surgical benefits, and Met Life Dental, Anthem PPO Dental, and Delta for dental benefits. Basic life insurance and disability benefits are provided through American Fidelity, The Standard, Mutual of Omaha, or Met Life.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 10 – RISK MANAGEMENT (continued)

Unpaid Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2019 to June 30, 2021:

Unpaid Claims Liabilities:

Liability Balance, July 1, 2019	\$	248,674
Claims and changes in estimates		816,934
Claims payments		(816,934)
Liability Balance, June 30, 2020		248,674
Claims and changes in estimates		479,894
Claims payments		(316,936)
Liability Balance, June 30, 2021	\$	411,632
Assets available to pay claims at June 30, 2021	\$	863,027

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Litigation

The District is involved in various litigation that arose out of the normal course of business. In the opinion of legal counsel, the District does not anticipate that the outcome of any of the litigation will have a material impact on the financial statements.

C. Construction Commitments

As of June 30, 2021, the District had commitments with respect to unfinished capital projects of approximately \$29.3 million to be paid from a combination of State and local funds.

NOTE 12 – ADJUSTMENT FOR RESTATEMENT

Due to the implementation of GASB Statement No. 84 as described in Note 1.I., the District has restated the beginning net position and fund balance at July 1, 2020 in the amount of \$957,375, which is the Associated Student Body (ASB) balance which was previously reported as Due to Student Groups and the balance in the Foundation Fund.

In addition, an adjustment was made to the beginning net position of the Debt Service Fund for Special Tax Bonds at July 1, 2020 to recognize additional revenue that was not recorded as of June 30, 2020.

Required Supplementary Information

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JURUPA UNIFIED SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Pos (Neg)
Revenues				
LCFF sources	\$ 186,105,785	\$ 202,841,299	\$ 202,841,299	\$ -
Federal sources	31,755,758	37,866,166	35,910,908	(1,955,258)
Other state sources	23,606,331	40,687,466	40,687,466	-
Other local sources	8,313,511	11,937,778	13,481,849	1,544,071
Total Revenues	249,781,385	293,332,709	292,921,522	(411,187)
Expenditures				
Current:				
Certificated salaries	107,005,671	111,003,252	111,003,252	-
Classified salaries	38,644,145	38,234,742	38,234,742	-
Employee benefits	65,313,961	60,870,940	60,870,940	-
Books and supplies	8,235,095	13,698,065	13,698,065	-
Services and operating expenditures	23,179,253	21,697,005	21,285,819	411,186
Capital outlay	829,900	6,018,012	6,018,012	-
Other outgo	3,900,833	4,044,443	4,044,443	-
Transfers of indirect costs	(405,787)	(192,927)	(192,927)	-
Total Expenditures	246,703,071	255,373,532	254,962,346	411,186
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,078,314	37,959,177	37,959,176	(1)
Other Financing Sources and Uses				
Interfund transfers out	(1,842,003)	-	-	-
Net Change in Fund Balances	1,236,311	37,959,177	37,959,176	(1)
Fund Balance, July 1, 2020	36,712,201	42,522,569	42,522,569	-
Fund Balance, June 30, 2021	<u>\$ 37,948,512</u>	<u>\$ 80,481,746</u>	<u>80,481,745</u>	<u>\$ (1)</u>

**Other Fund Balances included in the Statement of Revenues, Expenditures
and Changes in Fund Balances:**

Special Reserve Fund for Other Than Capital Outlay 1,934,210

**Total reported General Fund balance on the Statement of Revenues,
Expenditures and Changes in Fund Balances:**

\$ 82,415,955

JURUPA UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability For the Fiscal Year Ended June 30, 2021

	Last Ten Fiscal Years*						
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
CalSTRS							
District's proportion of the net pension liability	0.1896%	0.1932%	0.1865%	0.1868%	0.1883%	0.1850%	0.1770%
District's proportionate share of the net pension liability	\$ 183,738,075	\$ 174,460,715	\$ 171,370,171	\$ 172,718,949	\$ 152,056,280	\$ 124,549,400	\$ 103,433,490
State's proportionate share of the net pension liability associated with the District	94,716,999	95,179,967	98,117,438	102,179,071	86,575,672	65,872,726	62,458,234
Totals	<u>\$ 278,455,074</u>	<u>\$ 269,640,682</u>	<u>\$ 269,487,609</u>	<u>\$ 274,898,020</u>	<u>\$ 238,631,952</u>	<u>\$ 190,422,126</u>	<u>\$ 165,891,724</u>
District's covered-employee payroll	<u>\$ 103,866,848</u>	<u>\$ 104,927,617</u>	<u>\$ 101,097,658</u>	<u>\$ 99,762,846</u>	<u>\$ 94,905,061</u>	<u>\$ 85,810,574</u>	<u>\$ 78,695,612</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.90%	166.27%	169.51%	173.13%	160.22%	145.14%	131.43%
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>73%</u>	<u>71%</u>	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</u>
CalPERS							
District's proportion of the net pension liability	0.2478%	0.2488%	0.2451%	0.2456%	0.2434%	0.2205%	0.2129%
District's proportionate share of the net pension liability	\$ 76,031,847	\$ 72,515,532	\$ 65,354,668	\$ 58,626,120	\$ 48,071,651	\$ 32,501,918	\$ 24,169,334
District's covered-employee payroll	<u>\$ 35,284,879</u>	<u>\$ 34,592,598</u>	<u>\$ 32,670,620</u>	<u>\$ 31,885,808</u>	<u>\$ 29,223,694</u>	<u>\$ 35,585,736</u>	<u>\$ 33,850,280</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	215.48%	209.63%	200.04%	183.86%	164.50%	91.33%	71.40%
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>70%</u>	<u>71%</u>	<u>72%</u>	<u>74%</u>	<u>79%</u>	<u>83%</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.

JURUPA UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2021

	<i>Last Ten Fiscal Years*</i>						
	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
CalSTRS							
Contractually required contribution	\$ 17,218,571	\$ 17,761,231	\$ 17,082,216	\$ 14,588,392	\$ 12,550,166	\$ 10,183,313	\$ 7,619,979
Contributions in relation to the contractually required contribution	<u>17,218,571</u>	<u>17,761,231</u>	<u>17,082,216</u>	<u>14,588,392</u>	<u>12,550,166</u>	<u>10,183,313</u>	<u>7,619,979</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 106,616,540</u>	<u>\$ 103,866,848</u>	<u>\$ 104,927,617</u>	<u>\$ 101,097,658</u>	<u>\$ 99,762,846</u>	<u>\$ 94,905,061</u>	<u>\$ 85,810,574</u>
Contributions as a percentage of covered-employee payroll	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS							
Contractually required contribution	\$ 7,308,081	\$ 6,958,531	\$ 6,248,115	\$ 5,074,074	\$ 4,428,301	\$ 3,462,131	\$ 4,188,797
Contributions in relation to the contractually required contribution	<u>7,308,081</u>	<u>6,958,531</u>	<u>6,248,115</u>	<u>5,074,074</u>	<u>4,428,301</u>	<u>3,462,131</u>	<u>4,188,797</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 35,304,739</u>	<u>\$ 35,284,879</u>	<u>\$ 34,592,598</u>	<u>\$ 32,670,620</u>	<u>\$ 31,885,808</u>	<u>\$ 29,223,694</u>	<u>\$ 35,585,736</u>
Contributions as a percentage of covered-employee payroll	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</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.

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of Changes in the District's Total OPEB Liability and Related Ratios**For the Fiscal Year Ended June 30, 2021*

	Last 10 Fiscal Years*			
	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 3,960,558	\$ 3,257,034	\$ 3,162,169	\$ 3,059,671
Interest	2,073,874	2,025,526	1,691,815	1,600,743
Changes of benefit terms	-	-	1,868,222	-
Differences between expected and actual experience	(3,166,180)	9,352,314	-	-
Changes of assumptions or other inputs	(21,775,010)	5,231,609	(1,727,687)	-
Benefit payments	(2,255,124)	(2,481,859)	(2,094,189)	(1,994,466)
Net change in total OPEB liability	(21,161,882)	17,384,624	2,900,330	2,665,948
Total OPEB liability - beginning	68,671,830	51,287,206	48,386,876	45,720,928
Total OPEB liability - ending	<u>\$ 47,509,948</u>	<u>\$ 68,671,830</u>	<u>\$ 51,287,206</u>	<u>\$ 48,386,876</u>
 Covered-employee payroll	 \$ 130,486,070	 \$ 126,685,505	 \$ 102,297,000	 \$ 102,297,000
 Total OPEB liability as a percentage of covered-employee payroll	 <u>36.4%</u>	 <u>54.2%</u>	 <u>50.1%</u>	 <u>47.3%</u>

Notes to Schedule:

The discount rate was reduced from 2.90% to 2.12% for the most recent measurement period.

** 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.*

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program**For the Fiscal Year Ended June 30, 2021*

Last 10 Fiscal Years*

	2019-20	2018-19	2017-18	2016-17
District's proportion of net OPEB liability	0.2873%	0.2986%	0.2932%	0.2973%
District's proportionate share of net OPEB liability	\$ 1,217,689	\$ 1,111,799	\$ 1,122,347	\$ 1,250,560
Covered-employee payroll	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	0.40%	0.01%

Notes 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.*

JURUPA UNIFIED SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2021

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

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

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

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

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

Schedule of District Contributions

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

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

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

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

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 2.90 percent to 2.12 percent since the previous valuation.

JURUPA UNIFIED SCHOOL DISTRICT

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021*

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

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

Change of assumptions – The discount rate was changed from 3.50 percent to 2.21 percent since the previous valuation.

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Supplementary Information

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JURUPA UNIFIED SCHOOL DISTRICT

Local Educational Agency Organization Structure

June 30, 2021

The Jurupa Unified School District was established on July 1, 1963, and is comprised of an area of approximately 44 square miles located in the incorporated city of Jurupa Valley in addition to unincorporated areas of western Riverside County. There were no changes in the boundaries of the District during the current year. The District is currently operating sixteen elementary schools for grades K-6, three middle schools for grades 7-8, one K-8 Academy, three comprehensive high schools for grades 9-12, one continuation high school, and a Learning Center that houses an adult education program, an independent study program, and other alternative education programs.

Governing Board		
Member	Office	Term Expires
Karen Bradford	President	December, 2022
Melissa Ragole	Clerk	December, 2022
Eric Ditwiler	Member	December, 2024
Robert Garcia	Member	December, 2022
Joseph Navarro	Member	December, 2024

DISTRICT ADMINISTRATORS

Elliott Duchon,¹
Superintendent

Daniel Brooks,
Assistant Superintendent, Personnel Services

Trenton Hansen, Ph.D.¹
Deputy Superintendent, Planning & Development

Dave Doubravsky,
Assistant Superintendent, Education Services

Paula Ford,
Assistant Superintendent, Business Services

¹ Mr. Duchon retired on June 30, 2021, and Trenton Hansen, Ph.D. became Superintendent as of July 1, 2021.

JURUPA UNIFIED SCHOOL DISTRICT*Balance Sheet – Non-Major Funds**June 30, 2021*

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Foundation Trust Fund	Total
ASSETS								
Deposits and investments	\$ 817,261	\$ 640,025	\$ 259,982	\$ 1,116,505	\$ 19,857,397	\$ 6,624,570	\$ 48,412	\$ 29,364,152
Accounts receivable	-	105,720	372,656	807,035	15,546	17,689	60	1,318,706
Due from other funds	-	5,167	36,515	13,711	-	-	-	55,393
Inventories	38,840	-	-	194,089	-	-	-	232,929
Prepaid expenditures	-	-	5,625	-	-	-	-	5,625
Total Assets	<u>\$ 856,101</u>	<u>\$ 750,912</u>	<u>\$ 674,778</u>	<u>\$ 2,131,340</u>	<u>\$ 19,872,943</u>	<u>\$ 6,642,259</u>	<u>\$ 48,472</u>	<u>\$ 30,976,805</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ 55,246	\$ 28,919	\$ 101,333	\$ 2,204,293	\$ 15,159	\$ -	\$ 2,404,950
Due to other funds	-	27,150	40,958	1,543,022	209,337	-	-	1,820,467
Unearned revenues	-	-	81,011	81,742	-	-	-	162,753
Total Liabilities	<u>-</u>	<u>82,396</u>	<u>150,888</u>	<u>1,726,097</u>	<u>2,413,630</u>	<u>15,159</u>	<u>-</u>	<u>4,388,170</u>
Fund Balances								
Nonspendable	38,840	-	5,625	194,089	-	-	-	238,554
Restricted	817,261	668,516	518,265	211,154	17,459,313	6,627,100	48,472	26,350,081
Total Fund Balances	<u>856,101</u>	<u>668,516</u>	<u>523,890</u>	<u>405,243</u>	<u>17,459,313</u>	<u>6,627,100</u>	<u>48,472</u>	<u>26,588,635</u>
Total Liabilities and Fund Balances	<u>\$ 856,101</u>	<u>\$ 750,912</u>	<u>\$ 674,778</u>	<u>\$ 2,131,340</u>	<u>\$ 19,872,943</u>	<u>\$ 6,642,259</u>	<u>\$ 48,472</u>	<u>\$ 30,976,805</u>

JURUPA UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Funds For the Fiscal Year Ended June 30, 2021

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Foundation Trust Fund	Total
REVENUES								
Federal sources	\$ -	\$ 230,016	\$ 104,895	\$ 5,041,689	\$ -	\$ -	\$ -	\$ 5,376,600
Other state sources	-	1,188,180	1,412,130	882,815	-	-	-	3,483,125
Other local sources	167,547	6,341	976,592	16,627	109,029	2,983,846	11,221	4,271,203
Total Revenues	167,547	1,424,537	2,493,617	5,941,131	109,029	2,983,846	11,221	13,130,928
EXPENDITURES								
Current:								
Instruction	-	671,050	1,208,086	-	-	-	-	1,879,136
Instruction-related services								
Supervision of instruction	-	110	803,246	-	-	-	-	803,356
Instructional library, media and technology	-	2,478	-	-	-	-	-	2,478
School site administration	-	480,271	-	-	-	-	-	480,271
Pupil Services								
Food services	-	-	-	5,505,539	-	-	-	5,505,539
All other pupil services	-	-	72,539	-	-	-	17,998	90,537
All other general administration	-	-	-	-	-	20,800	-	20,800
Plant services	-	-	-	-	301,350	120,885	-	422,235
Transfers of indirect costs	-	26,930	23,241	142,756	-	-	-	192,927
Ancillary services	213,329	-	-	-	-	-	-	213,329
Community services	-	-	-	-	-	-	243	243
Capital Outlay	-	-	40,863	-	11,384,191	101,716	-	11,526,770
Total Expenditures	213,329	1,180,839	2,147,975	5,648,295	11,685,541	243,401	18,241	21,137,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,782)	243,698	345,642	292,836	(11,576,512)	2,740,445	(7,020)	(8,006,693)
OTHER FINANCING SOURCES (USES)								
Interfund transfers in	-	-	-	-	1,554,521	-	-	1,554,521
Total Other Financing Sources and Uses	-	-	-	-	1,554,521	-	-	1,554,521
Net Change in Fund Balances	(45,782)	243,698	345,642	292,836	(10,021,991)	2,740,445	(7,020)	(6,452,172)
Fund Balances, July 1, 2020, as originally stated	-	424,818	178,248	112,407	27,481,304	3,886,655	-	32,083,432
Adjustments for Restatement (Note 12)	901,883	-	-	-	-	-	55,492	957,375
Fund Balances, July 1, 2020, as restated	901,883	424,818	178,248	112,407	27,481,304	3,886,655	55,492	33,040,807
Fund Balances, June 30, 2021	\$ 856,101	\$ 668,516	\$ 523,890	\$ 405,243	\$ 17,459,313	\$ 6,627,100	\$ 48,472	\$ 26,588,635

See accompanying note to supplementary information.

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of Instructional Time**For the Fiscal Year Ended June 30, 2021*

Grade Level	Number of Instructional Days			Status
	Actual	Credited Days From J-13A Waivers	Total	
Kindergarten	180	0	180	Complied
Grade 1	180	0	180	Complied
Grade 2	180	0	180	Complied
Grade 3	180	0	180	Complied
Grade 4	180	0	180	Complied
Grade 5	180	0	180	Complied
Grade 6	180	0	180	Complied
Grade 7	180	0	180	Complied
Grade 8	180	0	180	Complied
Grade 9	180	0	180	Complied
Grade 10	180	0	180	Complied
Grade 11	180	0	180	Complied
Grade 12	180	0	180	Complied

JURUPA UNIFIED SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2021

General Fund	(Budget) 2022 ²	2021 ³	2020	2019
Revenues and other financing sources	\$ 261,690,119	\$ 292,921,522	\$ 251,194,193	\$ 258,135,549
Expenditures	293,209,437	254,962,346	239,054,233	244,130,390
Other uses and transfers out	-	-	1,641,164	6,220,880
Total outgo	293,209,437	254,962,346	240,695,397	250,351,270
Change in fund balance (deficit)	(31,519,318)	37,959,176	10,498,796	7,784,279
Ending fund balance	\$ 48,962,427	\$ 80,481,745	\$ 42,522,569	\$ 32,023,773
Available reserves ¹	\$ 29,732,622	\$ 24,220,583	\$ 30,423,174	\$ 19,242,637
Available reserves as a percentage of total outgo	10.1%	9.5%	12.6%	7.7%
Total long-term debt	\$ 543,762,452	\$ 556,241,816	\$ 567,126,644	\$ 548,986,265
Average daily attendance at P-2	17,684	N/A	18,209	18,425

The General Fund balance has increased by \$48,457,972 over the past two years. The fiscal year 2021-22 adopted budget projects a decrease of \$31,519,318. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo). Long-term debt has increased \$7,255,551 over the past two years due primarily to the net pension liability and bond issuances.

The District has not incurred an operating deficit in any of the past three years, but does anticipate incurring an operating deficit during the 2021-22 fiscal year.

The District didn't report ADA for 2020-21 in accordance with state emergency legislation. The District is budgeting 17,684 ADA for 2021-22.

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

² As of September 2021

³ The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

JURUPA UNIFIED SCHOOL DISTRICT*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2021*

	Capital Projects Fund for Blended Component Units
June 30, 2021, annual financial and budget report fund balance	\$ 22,602,479
Adjustments and reclassifications:	
Increase (decrease) in total fund balances:	
Investments understated	3,401,360
Total adjustments	<u>3,401,360</u>
June 30, 2021, audited financial statement fund balance	<u><u>\$ 26,003,839</u></u>

JURUPA 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	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Especially Needy	10.553	13526	\$ 256,899	
National School Lunch Program	10.555	13523	4,141,037	
USDA Donated Foods	10.555	N/A	576,954	
Total Child Nutrition Cluster				\$ 4,974,890
Fresh Fruit and Vegetable Program	10.582	14968		66,796
Total U.S. Department of Agriculture				5,041,686
U.S. Department of Treasury:				
Passed through California Dept. of Education (CDE):				
COVID - Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	25516		15,570,437
Total U.S. Department of Treasury				15,570,437
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Adult Basic Education Cluster:				
Adult Secondary Education	84.002	13978	110,636	
Adult Basic Education & ESL	84.002A	14508	115,908	
English Literacy & Civics Education	84.002	14750	3,472	
Total Adult Basic Education Cluster				230,016
Every Student Succeeds Act (ESSA):				
Title I Grants to Local Educational Agencies:				
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	5,678,225	
School Improvement Funding for LEAs	84.010	15438	341,112	
Subtotal Title I Grants				6,019,337
Title II, Part A, Supporting Effective Instruction	84.367	14341		577,202
Title III, Limited English Proficiency	84.365	14346		448,736
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		402,839
Title IV, Part B, 21st Century Community Learning Centers	84.287	14681		282,150
Title X, Part C, McKinney-Vento Homeless Assistance Grants	84.196	14332		2,595
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894		164,827
Passed through Riverside County SELPA:				
Individuals with Disabilities Education Act (IDEA) Cluster:				
Local Assistance Entitlement	84.027	13379	3,143,632	
IDEA Preschool Grants, Part B, Section 619	84.173	13430	44,188	
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027	14468	172,191	
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	473	
Total Special Education (IDEA) Cluster				3,360,484
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	4,152,126	
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	217,421	
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	793,909	
Total Education Stabilization Fund				5,163,456
Total U.S. Department of Education				16,651,642
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education (CDE):				
Head Start	93.600	10016		1,566,357
Total U.S. Department of Health & Human Services				1,566,357
Total Expenditures of Federal Awards				\$ 38,830,122

Of the Federal awards presented in this schedule, the District provided no awards to subrecipients.

JURUPA UNIFIED SCHOOL DISTRICT

Note to the Supplementary Information

June 30, 2021

NOTE 1 – PURPOSE OF SCHEDULES

Individual Combining Financial Statements

Individual combining balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the non-major funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to financial statements.

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Schedule of Expenditures of Federal Awards

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

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

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 41,287,508
Differences between Federal Revenues and Expenditures:		
Headstart	93.600	(104,895)
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	(99,134)
Governor's Emergency Education Relief (GEER) Fund	84.425C	(276,077)
COVID - Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	(1,977,280)
Total Schedule of Expenditures of Federal Awards		\$ 38,830,122

Other Independent Auditors' Reports

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

Board of Education
Jurupa Unified School District
Jurupa Valley, 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 Jurupa Unified School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Jurupa Unified School District's basic financial statements, and have issued our report thereon dated January 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jurupa 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jurupa Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jurupa 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 District'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.

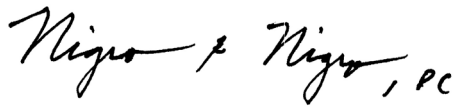
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
January 24, 2022



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

Board of Education
Jurupa Unified School District
Jurupa Valley, California

Report on Compliance for Each Major Federal Program

We have audited Jurupa 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 Jurupa Unified School District's major federal programs for the year ended June 30, 2021. Jurupa Unified School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jurupa 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 Jurupa 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 Jurupa Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Jurupa 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.

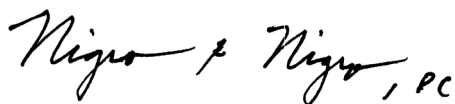
Report on Internal Control Over Compliance

Management of Jurupa 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 Jurupa 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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.

A handwritten signature in black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
January 24, 2022



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Education
Jurupa Unified School District
Jurupa Valley, California

Report on State Compliance

We have audited Jurupa Unified School 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* that could have a direct and material effect on each of the Jurupa Unified School District's state government programs as noted on the following page for the fiscal year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with state laws, regulations, and the terms and conditions of its State programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jurupa Unified School District's state programs based on our audit of the types of compliance requirements referred to on the following page. 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 *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to on the following page that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about Jurupa 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 state program. However, our audit does not provide a legal determination of Jurupa Unified School District's compliance.

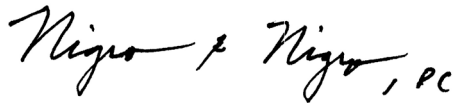
In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the State laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes

Description	Procedures Performed
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	Not Applicable
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study - Course Based	Not Applicable
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Charter School Facility Grant Program	Not Applicable

Unmodified Opinion on Compliance with State Programs

In our opinion, Jurupa Unified School District complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2021.



Murrieta, California
January 24, 2022

Schedule of Findings and Questioned Costs

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JURUPA UNIFIED SCHOOL DISTRICT

Summary of Auditors' Results

For the Fiscal Year Ended June 30, 2021

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516(a)?	No
Identification of major programs:	

Assistance	
Listing Number	Name of Federal Program or Cluster
84.010	Title I Cluster
84.425D, 84.425, & 84.425C	Education Stabilization Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 1,164,904
Auditee qualified as low-risk auditee?	Yes

State Awards

Type of auditors' report issued on compliance for state programs:	Unmodified
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JURUPA UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2021

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

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

There were no financial statement findings in 2020-21.

JURUPA UNIFIED SCHOOL DISTRICT
Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

There were no federal award findings or questioned costs in 2020-21.

JURUPA UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

There were no state award findings or questioned costs in 2020-21.

JURUPA UNIFIED SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

There were no findings or questioned costs in 2019-20.