

**JURUPA UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2022**

NIGRO & NIGRO^{PC}

JURUPA UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2022

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JURUPA UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2022

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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jurupa Unified School District, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jurupa Unified School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

The LEA Organization Structure 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 November 15, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Nigro & Nigro, PC".

Murrieta, California
November 15, 2022

JURUPA UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2022

This discussion and analysis of Jurupa Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

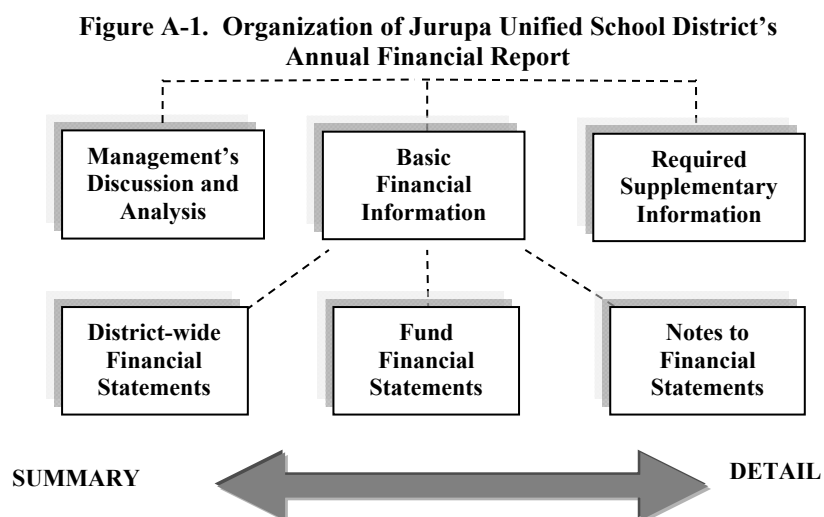
- Net position of governmental activities increased by approximately \$68.8 million.
- Governmental expenses were approximately \$274.0 million. Revenues were about \$342.8 million.
- The District spent \$23.4 million in new capital assets during the year.
- The District decreased its outstanding long-term debt by \$127.1 million.
- Governmental funds increased by \$27.2 million, or 12.2%.
- Reserves for the General Fund decreased by \$2.2 million. Revenues were \$301.4 million and expenditures were \$284.9 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

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, 2022

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, 2022, than it was the year before – increasing 76.7% to \$158.4 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		Variance
	2022	2021*	Increase (Decrease)
Assets			
Current assets	\$ 284,213,967	\$ 247,503,031	\$ 36,710,936
Capital assets	395,450,317	382,963,508	12,486,809
Total assets	679,664,284	630,466,539	49,197,745
Total deferred outflows of resources	67,853,557	78,525,851	(10,672,294)
Liabilities			
Current liabilities	35,885,024	26,465,182	9,419,842
Long-term liabilities	429,177,722	556,241,816	(127,064,094)
Total liabilities	465,062,746	582,706,998	(117,644,252)
Total deferred inflows of resources	124,007,192	36,600,292	87,406,900
Net position			
Net investment in capital assets	265,676,165	200,871,099	64,805,066
Restricted	82,473,351	114,705,595	(32,232,244)
Unrestricted	(189,701,613)	(225,891,594)	36,189,981
Total net position	\$ 158,447,903	\$ 89,685,100	\$ 68,762,803

* As restated

Changes in net position, governmental activities. The District's total revenues decreased 5.3% to \$342.8 million (See Table A-2). The decrease is due primarily to a decrease in COVID-related grants in the current year and one-time State School Facilities grants received in the prior year.

The total cost of all programs and services decreased 5.5% to \$274.0 million. The District's expenses are predominantly related to educating and caring for students, 80.6%. The purely administrative activities of the District accounted for just 3.1% of total costs. A significant contributor to the decrease in costs was lower spending from COVID-related grants.

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities		Variance Increase (Decrease)
	2022	2021	
Revenues			
Program Revenues:			
Charges for services	\$ 2,259,477	\$ 3,046,006	\$ (786,529)
Operating grants and contributions	74,207,786	86,651,914	(12,444,128)
Capital grants and contributions	9,951,139	40,634,876	(30,683,737)
General Revenues:			
Property taxes	62,280,279	61,277,865	1,002,414
Federal and state aid not restricted	183,643,885	167,395,280	16,248,605
Other general revenues	10,428,228	2,909,893	7,518,335
Total Revenues	342,770,794	361,915,834	(19,145,040)
Expenses			
Instruction-related	189,486,285	211,454,232	(21,967,947)
Pupil services	31,253,903	27,602,597	3,651,306
Administration	8,428,717	11,425,764	(2,997,047)
Plant services	28,788,174	27,031,309	1,756,865
All other activities	16,050,912	12,403,240	3,647,672
Total Expenses	274,007,991	289,917,142	(15,909,151)
Increase (decrease) in net position	\$ 68,762,803	\$ 71,998,692	\$ (3,235,889)
Net Position	\$ 158,447,903	\$ 89,685,100	

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 \$250.5 million, which is greater than last year's ending fund balance of \$223.3 million. The primary cause of the increased fund balance is a surplus in the general fund and increased reimbursement rates in the cafeteria fund.

Table A-3: The District's Fund Balances

	Fund Balances				
Fund	July 1, 2021	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2022
General Fund	\$ 80,481,745	\$ 301,415,092	\$ 284,938,334	\$ 500,000	\$ 97,458,503
Special Reserve Fund for Other than					
Capital Outlay	1,934,210	(445)	-	-	1,933,765
Student Activity Fund	856,101	1,348,940	1,218,090	-	986,951
Adult Education Fund	668,516	1,417,807	1,604,788	-	481,535
Child Development Fund	523,890	2,436,519	2,574,946	-	385,463
Cafeteria Fund	405,243	13,032,663	8,413,066	-	5,024,840
Foundation Special Revenue Fund	-	64,247	15,437	(10)	48,800
Building Fund	17,459,313	359,630	15,073,220	51,217,474	53,963,197
Capital Facilities Fund	6,627,100	1,874,077	1,251,341	(639,389)	6,610,447
County School Facilities Fund	40,635,089	9,943,027	-	(50,578,085)	31
Special Reserve Fund (Capital Outlay)	25,834,969	6,157,553	3,279,629	(473,155)	28,239,738
Capital Outlay Fund for Blended					
Component Units	26,003,839	95,509	4,706,520	10,766,317	32,159,145
Bond Interest and Redemption Fund	21,799,323	13,652,618	12,262,537	-	23,189,404
Foundation Private Purpose Trust Fund	48,472	38	48,520	10	-
	\$ 223,277,810	\$ 351,797,275	\$ 335,386,428	\$ 10,793,162	\$ 250,481,819

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

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 \$39.7 million primarily to reflect increased estimated federal and state budget actions.
- Expenditures – decreased \$8.3 million mainly due to revised cost estimates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021-22 the District had acquired \$23.4 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 \$10.7 million.

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

	Governmental Activities		Variance Increase (Decrease)
	2022	2021*	
Land	\$ 16,018,583	\$ 16,018,583	\$ -
Improvement of sites	11,025,395	10,506,941	518,454
Buildings	305,251,791	291,049,478	14,202,313
Equipment	15,692,168	16,218,305	(526,137)
Construction in progress	47,462,380	49,170,201	(1,707,821)
Total	<u>\$ 395,450,317</u>	<u>\$ 382,963,508</u>	<u>\$ 12,486,809</u>

**As restated*

The District is anticipating continued new construction and modernization projects.

Long-Term Debt

At year-end the District had \$429.2 million in long-term debt – a decrease of 22.8% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

JURUPA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

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

	Governmental Activities		Variance Increase (Decrease)
	2022	2021	
General obligation bonds	\$ 172,731,781	\$ 179,240,182	\$ (6,508,401)
Lease revenue bonds	32,509,489	32,585,213	(75,724)
Certificates of participation	2,200,000	2,845,000	(645,000)
Energy efficiency financing	18,476,651	20,471,722	(1,995,071)
Capital leases	-	127,808	(127,808)
Redevelopment agency	-	200,000	(200,000)
Compensated absences	5,205,472	4,548,947	656,525
Early retirement incentives	5,793,345	7,725,385	(1,932,040)
Other postemployment benefits	57,341,774	48,727,637	8,614,137
Net pension liability	134,919,210	259,769,922	(124,850,712)
Total	<u>\$ 429,177,722</u>	<u>\$ 556,241,816</u>	<u>\$ (127,064,094)</u>

FACTORS BEARING ON THE DISTRICT'S FUTURE

State Budget

The Legislature passed a final budget package on June 29, 2022. The budget package assumes that 2022-23 will end with nearly \$28 billion in total reserves. This consists of: (1) \$23.3 billion in the Budget Stabilization Account; (2) \$3.5 billion in the Special Fund for Economic Uncertainties (SFEU); 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 to the general-purpose reserves described above, the Proposition 98 Reserve (dedicated to school and community college spending) would reach \$9.5 billion under the spending plan.

Federal Funds Expected to Decline Significantly Between 2021-22 and 2022-23

In the budget federal funds decline \$175 billion, or 55 percent, between 2021-22 and 2022-23. This decline is the result of several significant federal programs enacted in response to COVID-19 expiring in 2022-23. For example, the enhanced Federal Medical Assistance Percentage for the State's Medicaid program (which the administration assumes will expire in December 2022) and \$27 billion in fiscal relief funding from the American Rescue Plan. However, there are also some increases in federal funds in 2022-23 related to the Infrastructure Investment and Jobs Act.

Significant Increase in School and Community College Funding

The Proposition 98 minimum guarantee depends upon various formulas that adjust for several factors, including changes in State General Fund revenue. For 2021-22, the guarantee is up \$16.5 billion (17.6 percent) compared with the estimates made in June 2021. This increase represents one of the largest upward revisions since the adoption of Proposition 98 and is due to higher General Fund revenue estimates. For 2022-23, the guarantee increases by an additional \$117 million (0.1 percent) relative to the revised 2021-22 level.

JURUPA UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Makes Required Reserve Deposit 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 adopted budget plan, the State deposits a total of \$9.5 billion into this account across the 2020-21 through 2022-23 period—an increase of \$4.5 billion compared with the estimates made in June 2021. The budget allocates the remaining funds for significant one-time and ongoing program increases. For schools, the largest ongoing augmentation is \$7.9 billion to provide a 13 percent increase to the Local Control Funding Formula and provide greater fiscal stability to school districts experiencing declining attendance. The budget plan also includes \$12.1 billion in one-time funding for two K-12 block grants—\$7.9 billion focused on learning recovery and \$3.6 billion intended for arts, music, and instructional materials. In addition, the budget plan includes \$841 million one time for facilities maintenance and instructional equipment and \$650 million one time for a COVID-19 block grant.

Adjusts Guarantee Upwards for Expansion of Transitional Kindergarten

The June 2021 budget plan established a plan to expand eligibility for transitional kindergarten beginning in 2022-23. Under the plan, all four-year old children will be eligible by 2025-26. (Previously, only children born between September 2 and December 2 were eligible.) The Legislature and Governor also agreed the State would cover the associated costs by adjusting the Proposition 98 formulas to increase the share of General Fund revenue allocated to schools. Consistent with this agreement, the budget plan includes an increase in the 2022-23 guarantee of \$614 million related to the first-year costs of the expansion.

School Facilities Grants

The budget allocates \$1.4 billion (non-Proposition 98 General Fund) attributable to 2021-22 for school facilities grants. Of this total, \$1.3 billion is to cover the State share for new construction and modernization projects under the School Facilities Program. These funds supplement existing funds from Proposition 51, the State school bond approved by voters in 2016. (Funding from Proposition 51 will likely be exhausted in 2022-23.) The remaining \$100 million is for schools to construct or renovate State Preschool, transitional kindergarten, and full-day kindergarten classrooms.

Reserve Cap Triggered

As a result of the balance in the Public School System Stabilization Account, the statutory limitation on school district reserves has been triggered for the 2022-23 budget period, pursuant to Education Code (EC) Section 42127.01(e). Beginning with the 2022-23 fiscal year, the district reserve cap requires that a school district's adopted or revised budget pursuant to EC Section 42127 shall not contain a combined assigned or unassigned ending general fund balance of more than 10 percent of those funds. Assigned and unassigned balances within the Special Fund for Other than Capital Outlay shall also be included within the 10 percent reserve cap. The reserve cap requirement does not apply to small school districts or basic aid school districts pursuant to EC Section 42127.01(c).

All of these factors were considered in preparing the Jurupa Unified School District budget for the 2022-23 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, 2022*

	Total Governmental Activities
ASSETS	
Deposits and investments	\$ 259,335,730
Accounts receivable	22,441,993
Inventories	316,005
Prepaid expenses	2,120,239
Capital assests:	
Non-depreciable assets	63,480,963
Depreciable assets	513,692,093
Less accumulated depreciation	(181,722,739)
Total assets	<u>679,664,284</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	1,599,429
Deferred outflows related to OPEB	15,030,794
Deferred outflows related to pensions	51,223,334
Total deferred outflows of resources	<u>67,853,557</u>
LIABILITIES	
Accounts payable	27,114,081
Accrued interest payable	2,725,740
Unearned revenue	6,045,203
Noncurrent liabilities:	
Due or payable within one year	11,112,408
Due in more than one year:	
Other than OPEB and pensions	225,804,330
Total OPEB liability	57,341,774
Net pension liability	134,919,210
Total liabilities	<u>465,062,746</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	19,446,325
Deferred inflows related to pensions	104,560,867
Total deferred inflows of resources	<u>124,007,192</u>
NET POSITION	
Net investment in capital assets	265,676,165
Restricted for:	
Capital projects	34,850,216
Debt service	23,189,404
Categorical programs	22,776,644
Student activity	1,035,751
Foundation funds	48,472
Self-insurance	572,864
Unrestricted	(189,701,613)
Total net position	<u>\$ 158,447,903</u>

JURUPA UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2022

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	\$ 159,438,701	\$ 1,520	\$ 39,371,325	\$ 9,951,139	\$ (110,114,717)
Instruction-Related Services:					
Supervision of instruction	9,847,538	101,382	2,860,938	-	(6,885,218)
Library, media, and technology	2,644,371	-	237,982	-	(2,406,389)
School site administration	17,555,675	-	266,859	-	(17,288,816)
Pupil Support Services:					
Home-to-school transportation	5,688,227	-	133,959	-	(5,554,268)
Food services	10,661,394	118,694	15,347,445	-	4,804,745
All other pupil services	14,904,282	88,031	3,931,635	-	(10,884,616)
General Administration Services:					
Data processing services	3,295,702	-	386,386	-	(2,909,316)
Other general administration	5,133,015	10,317	2,686,443	-	(2,436,255)
Plant services	28,788,174	57,252	548,530	-	(28,182,392)
Ancillary services	6,888,838	-	6,257,640	-	(631,198)
Community services	11,939	20	20	-	(11,899)
Enterprise activities	250,000	-	-	-	(250,000)
Interest on long-term debt	7,996,278	-	-	-	(7,996,278)
Other outgo	903,857	1,882,261	2,178,624	-	3,157,028
Total Governmental Activities	<u>\$ 274,007,991</u>	<u>\$ 2,259,477</u>	<u>\$ 74,207,786</u>	<u>\$ 9,951,139</u>	<u>(187,589,589)</u>
General Revenues:					
					62,280,279
					183,643,885
					(1,947,374)
					2,250
					12,373,352
					256,352,392
					68,762,803
					93,139,190
					(3,454,090)
					89,685,100
					\$ 158,447,903

JURUPA UNIFIED SCHOOL DISTRICT*Balance Sheet - Governmental Funds**June 30, 2022*

	General Fund	Building Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Other Governmental Funds	Total Governmental Funds
ASSETS						
Deposits and investments	\$ 100,016,981	\$ 56,293,952	\$ 11,372,679	\$ 32,966,814	\$ 57,932,800	\$ 258,583,226
Accounts receivable	19,633,695	113,040	45,953	42,417	2,606,057	22,441,162
Due from other funds	1,981,723	92	-	-	100,758	2,082,573
Inventories	96,108	-	-	-	219,897	316,005
Prepaid expenditures	2,120,239	-	-	-	-	2,120,239
Total Assets	<u>\$ 123,848,746</u>	<u>\$ 56,407,084</u>	<u>\$ 11,418,632</u>	<u>\$ 33,009,231</u>	<u>\$ 60,859,512</u>	<u>\$ 285,543,205</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 18,471,657	\$ 2,443,887	\$ 4,808,185	\$ 850,086	\$ 359,795	\$ 26,933,610
Due to other funds	100,700	-	-	-	1,981,873	2,082,573
Unearned revenue	5,884,121	-	-	-	161,082	6,045,203
Total Liabilities	<u>24,456,478</u>	<u>2,443,887</u>	<u>4,808,185</u>	<u>850,086</u>	<u>2,502,750</u>	<u>35,061,386</u>
Fund Balances						
Nonspendable	2,241,347	-	-	-	219,897	2,461,244
Restricted	19,733,666	53,963,197	6,610,447	32,159,145	58,136,865	170,603,320
Committed	48,996,478	-	-	-	-	48,996,478
Assigned	6,353,678	-	-	-	-	6,353,678
Unassigned	22,067,099	-	-	-	-	22,067,099
Total Fund Balances	<u>99,392,268</u>	<u>53,963,197</u>	<u>6,610,447</u>	<u>32,159,145</u>	<u>58,356,762</u>	<u>250,481,819</u>
Total Liabilities and Fund Balances	<u>\$ 123,848,746</u>	<u>\$ 56,407,084</u>	<u>\$ 11,418,632</u>	<u>\$ 33,009,231</u>	<u>\$ 60,859,512</u>	<u>\$ 285,543,205</u>

JURUPA UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

Total fund balances - governmental funds \$ 250,481,819

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	577,173,056	
Accumulated depreciation	(181,722,739)	
Net		395,450,317

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: (2,725,740)

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: 1,599,429

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	172,731,781	
Lease revenue bonds payable	32,509,489	
Certificates of participation payable	2,200,000	
Energy efficiency financing	18,476,651	
Compensated absences payable	5,205,472	
Early retirement incentives	5,793,345	
Other postemployment liabilities	57,341,774	
Net pension liability	134,919,210	
Total		(429,177,722)

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	51,223,334	
Deferred inflows of resources	(104,560,867)	(53,337,533)

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	15,030,794	
Deferred inflows of resources	(19,446,325)	(4,415,531)

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:

572,864

Total net position - governmental activities \$ 158,447,903

JURUPA UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Fiscal Year Ended June 30, 2022

	General Fund	Building Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Other Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	\$ 221,272,665	\$ -	\$ -	\$ -	\$ -	\$ 221,272,665
Federal sources	36,141,591	-	-	-	12,749,439	48,891,030
Other state sources	33,354,599	-	-	-	13,223,830	46,578,429
Other local sources	10,645,792	359,630	1,874,077	95,509	22,080,143	35,055,151
Total Revenues	301,414,647	359,630	1,874,077	95,509	48,053,412	351,797,275
EXPENDITURES						
Current:						
Instructional Services:						
Instruction	182,079,688	-	-	-	2,164,962	184,244,650
Instruction-Related Services:						
Supervision of instruction	10,183,633	-	-	-	1,113,345	11,296,978
Instructional library, media and technology	2,487,112	-	-	-	7,555	2,494,667
School site administration	18,431,710	-	-	-	626,989	19,058,699
Pupil Support Services:						
Home-to-school transportation	6,327,306	-	-	-	-	6,327,306
Food services	2,476,436	-	-	-	8,256,420	10,732,856
All other pupil services	16,998,165	-	-	-	173,970	17,172,135
General Administration Services:						
Data processing services	3,353,118	-	-	-	-	3,353,118
Other general administration	6,715,951	-	21,745	-	-	6,737,696
Plant services	25,155,608	316,773	227,279	800	441,526	26,141,986
Ancillary services	6,082,794	-	-	-	1,218,090	7,300,884
Community services	11,547	-	-	-	233	11,780
Enterprise activities	250,000	-	-	-	-	250,000
Transfers of indirect costs	(237,726)	-	-	-	237,726	-
Capital Outlay	1,019,215	14,756,447	1,002,317	4,705,720	549,411	22,033,110
Intergovernmental Transfers	903,847	-	-	-	-	903,847
Debt Service:						
Principal	2,322,879	-	-	-	7,405,000	9,727,879
Interest	377,051	-	-	-	7,221,786	7,598,837
Total Expenditures	284,938,334	15,073,220	1,251,341	4,706,520	29,417,013	335,386,428
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	16,476,313	(14,713,590)	622,736	(4,611,011)	18,636,399	16,410,847
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	500,000	51,217,474	-	-	10	51,717,484
Interfund transfers out	-	-	(639,389)	-	(51,078,095)	(51,717,484)
Other financing uses	-	-	-	(9,667)	-	(9,667)
Proceeds from disposal of capital assets	-	-	-	-	26,845	26,845
Issuance of non-obligatory debt	-	-	-	10,775,984	-	10,775,984
Total Other Financing Sources and Uses	500,000	51,217,474	(639,389)	10,766,317	(51,051,240)	10,793,162
Net Change in Fund Balances	16,976,313	36,503,884	(16,653)	6,155,306	(32,414,841)	27,204,009
Fund Balances, July 1, 2021	82,415,955	17,459,313	6,627,100	26,003,839	90,771,603	223,277,810
Fund Balances, June 30, 2022	\$ 99,392,268	\$ 53,963,197	\$ 6,610,447	\$ 32,159,145	\$ 58,356,762	\$ 250,481,819

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, 2022

Total net change in fund balances - governmental funds \$ 27,204,009

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	23,441,622	
Depreciation expense	(10,666,752)	
Net		12,774,870

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. 9,727,879

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: 859,617

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: (163,499)

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: (58,067)

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: (288,061)

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. (1,035,492)

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: (656,525)

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: 19,923,330

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: (1,602,451)

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: 1,932,040

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: 145,153

Change in net position of governmental activities \$ 68,762,803

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Net Position – Proprietary Fund**June 30, 2022*

	Governmental Activities
	Internal Service Fund
ASSETS	
Deposits and investments	\$ 752,504
Accounts receivable	831
Total assets	<u>753,335</u>
LIABILITIES	
Accounts payable	73,090
Estimated claims liability	<u>107,381</u>
Total liabilities	<u>180,471</u>
NET POSITION	
Restricted	<u><u>\$ 572,864</u></u>

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2022*

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
In-District premiums	\$ 250,000
OPERATING EXPENSES	
Payments for claims and other operating expenses	94,770
Operating Income (Loss)	155,230
NON-OPERATING REVENUE	
Interest income	2,174
Investment income	(12,251)
Non-Operating Income (Loss)	(10,077)
Change in net position	145,153
Net Position, July 1, 2021	427,711
Net Position, June 30, 2022	\$ 572,864

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Cash Flows - Proprietary Fund**For the Fiscal Year Ended June 30, 2022*

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from self-insurance premiums	\$ 250,000
Cash paid for operating expenses	(349,614)
Net cash provided (used) by operating activities	(99,614)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,656
Change in fair value of investments	(12,251)
Net cash provided (used) by investing activities	(10,595)
Net increase (decrease) in cash	(110,209)
Cash, July 1, 2021	862,713
Cash, June 30, 2022	\$ 752,504
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 155,230
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase in accounts payable	49,407
Decrease in claims liability	(304,251)
Net cash provided (used) by operating activities	\$ (99,614)

JURUPA UNIFIED SCHOOL DISTRICT*Statement of Fiduciary Net Position**June 30, 2022*

	Debt Service Funds for Special Tax Bonds
ASSETS	
Deposits and investments	<u>\$ 11,613,387</u>
NET POSITION	
Restricted for CFD debt service	<u><u>\$ 11,613,387</u></u>

JURUPA UNIFIED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022

	Debt Service Funds for Special Tax Bonds
ADDITIONS	
Local property taxes	\$ 6,148,450
Issuance of debt	26,506,838
All other local revenues	494,687
Total Additions	33,149,975
DEDUCTIONS	
General administration	584,073
Debt service - interest	4,316,319
Debt service - principal	26,007,600
All other transfers out	3,772,853
Total Deductions	34,680,845
Change in fiduciary net position	(1,530,870)
Net position - July 1, 2021	13,144,257
Net position - June 30, 2022	<u><u>\$ 11,613,387</u></u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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, 2022

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.

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

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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).

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).

Foundation Special Revenue Fund: This fund is used to account for resources received from gifts pursuant to *Education Code* Section 41031 under which both earnings and principal may be used for purposes that support the District's own programs and where there is a formal trust agreement with the donor.

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).

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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)

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.

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

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

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.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Measurement Focus, Basis of Accounting (continued)

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

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

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

3. Revenues - Exchange and Non-Exchange Transactions

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

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, 2022

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, 2022

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. Leases

Lessee:

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Leases (continued)

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. 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.

9. 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.

10. 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.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Fund Balances (continued)

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

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

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

11. 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.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Minimum Fund Balance Policy (continued)

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.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Governmental funds	\$ 258,583,226
Proprietary funds	752,504
Governmental activities	<u>259,335,730</u>
Fiduciary funds	11,613,387
Total deposits and investments	<u><u>\$ 270,949,117</u></u>

Deposits and investments as of June 30, 2022 consist of the following:

Cash in revolving fund	\$ 25,000
Cash with fiscal agent	124,383
Cash collections awaiting deposit	302,329
Investments	<u>270,497,405</u>
Total deposits and investments	<u><u>\$ 270,949,117</u></u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2022, 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 Depositary 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, 2022, \$703,301 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, 2022 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	\$ 11,622,192	\$ 11,622,192	\$ -	Level 2	AAAm
County Pool	258,875,213	258,875,213	-	Uncategorized	N/A
Total Investments	<u>\$ 270,497,405</u>	<u>\$ 270,497,405</u>	<u>\$ -</u>		

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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, 2022, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Investments - Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2022, 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.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022, consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Capital Project Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Federal Government:							
Categorical aid programs	\$ 14,687,775	\$ -	\$ -	\$ -	\$ 2,101,288	\$ 16,789,063	\$ -
State Government:							
LCFF revenues	40,491	-	-	-	-	40,491	-
Lottery	1,083,834	-	-	-	-	1,083,834	-
Child nutrition	-	-	-	-	75,590	75,590	-
Other state resources	2,481,267	-	-	-	224,489	2,705,756	-
Local:							
Special education	814,383	-	-	-	-	814,383	-
Interest	169,599	113,040	20,968	42,417	52,764	398,788	831
Other	356,346	-	24,985	-	151,926	533,257	-
Total	<u>\$ 19,633,695</u>	<u>\$ 113,040</u>	<u>\$ 45,953</u>	<u>\$ 42,417</u>	<u>\$ 2,606,057</u>	<u>\$ 22,441,162</u>	<u>\$ 831</u>

NOTE 4 – INTERFUND TRANSACTIONS

A. Balances Due To/From Other Funds

Balances due to/from other funds at June 30, 2022, consisted of the following:

	Due from other funds			
	General Fund	Building Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ -	\$ 100,700	\$ 100,700
Non-Major Governmental Funds	1,981,723	92	58	1,981,873
Totals	<u>\$ 1,981,723</u>	<u>\$ 92</u>	<u>\$ 100,758</u>	<u>\$ 2,082,573</u>

General Fund due to Adult Education Fund for grant reimbursement	\$ 62,646
General Fund due to Child Development Fund for grant reimbursement	11,047
General Fund due to Special Revenue Fund for Capital Outlay Projects for capital costs	27,007
Adult Education Fund due to General Fund for direct and indirect costs	46,526
Child Development Fund due to General Fund for direct and indirect costs	376,604
Cafeteria Fund due to General Fund for direct and indirect costs and temporary loan repayment	1,558,593
County School Facilities Fund for capital outlay projects due to Building Fund for additional capital outlay	92
Foundation Special Revenue Fund due to Private Purpose Trust Fund to close out account	10
Private Purpose Trust Fund due to Foundation Special Revenue Fund to close out account	48
Total	<u>\$ 2,082,573</u>

B. Transfers To/From Other Funds

Transfers to/from other funds for the year ended June 30, 2022, consisted of the following:

Special Reserve Fund for Capital Outlay Projects transfer to General Fund for capital outlay	\$ 500,000
Capital Facilities Fund transfer to Building Fund for capital outlay	639,389
County School Facilities Fund transfer to Building Fund for capital outlay	50,578,085
Foundation Special Revenue Fund transfer to Foundation Private-Purpose Fund to close fund	10
Total	<u>\$ 51,717,484</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 5 – FUND BALANCES

At June 30, 2022, fund balances of the District's governmental funds were classified as follows:

	General Fund	Building Fund	Capital Facilities Fund	Capital Project Fund for Blended Component Unit	Non-Major Governmental Funds	Total
Nonspendable:						
Revolving cash	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Stores inventories	96,108	-	-	-	219,897	316,005
Prepaid expenditures	2,120,239	-	-	-	-	2,120,239
Total Nonspendable	2,241,347	-	-	-	219,897	2,461,244
Restricted:						
Categorical programs	19,733,666	-	-	-	-	19,733,666
Food service programs	-	-	-	-	4,841,359	4,841,359
Child development programs	-	-	-	-	385,463	385,463
Adult education program	-	-	-	-	481,535	481,535
Capital projects	-	53,963,197	6,610,447	32,159,145	28,239,769	120,972,558
Debt service	-	-	-	-	23,189,404	23,189,404
Foundation funds	-	-	-	-	48,800	48,800
Student activity funds	-	-	-	-	950,535	950,535
Total Restricted	19,733,666	53,963,197	6,610,447	32,159,145	58,136,865	170,603,320
Committed:						
Mgmt & conf. H&W pool	188,516	-	-	-	-	188,516
Certificated H&W pool	2,227,288	-	-	-	-	2,227,288
Classified H&W pool	2,600,674	-	-	-	-	2,600,674
COVID-19 related contingencies	43,980,000	-	-	-	-	43,980,000
Total Committed	48,996,478	-	-	-	-	48,996,478
Assigned:						
School Site Allocations	2,074,646	-	-	-	-	2,074,646
PICO Program	20,160	-	-	-	-	20,160
Safety Credits	59,492	-	-	-	-	59,492
Lottery	2,265,615	-	-	-	-	2,265,615
Other assignments	1,933,765	-	-	-	-	1,933,765
Total Assigned	6,353,678	-	-	-	-	6,353,678
Unassigned:						
Reserve for economic uncertainties	8,548,151	-	-	-	-	8,548,151
Remaining unassigned balances	13,518,948	-	-	-	-	13,518,948
Total Unassigned	22,067,099	-	-	-	-	22,067,099
Total	\$ 99,392,268	\$ 53,963,197	\$ 6,610,447	\$ 32,159,145	\$ 58,356,762	\$ 250,481,819

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2022, was as follows:

	Original Balance, July 1, 2021	Adjustments	Restated Balance, July 1, 2021	Additions	Decreases	Balance, June 30, 2022
Capital assets not being depreciated:						
Land	\$ 16,018,583	\$ -	\$ 16,018,583	\$ -	\$ -	\$ 16,018,583
Construction in progress	49,170,201	-	49,170,201	20,532,725	22,240,546	47,462,380
Total capital assets not being depreciated	65,188,784	-	65,188,784	20,532,725	22,240,546	63,480,963
Capital assets being depreciated:						
Improvements to sites	29,779,647	-	29,779,647	810,460	154,257	30,435,850
Buildings	425,934,577	-	425,934,577	22,740,217	259,805	448,414,989
Equipment	34,768,759	-	34,768,759	1,598,766	1,526,271	34,841,254
Total capital assets being depreciated	490,482,983	-	490,482,983	25,149,443	1,940,333	513,692,093
Accumulated depreciation for:						
Improvements to sites	(19,274,114)	1,408	(19,272,706)	(292,006)	(154,257)	(19,410,455)
Buildings	(132,735,381)	(2,149,718)	(134,885,099)	(8,475,580)	(197,481)	(143,163,198)
Equipment	(17,244,674)	(1,305,780)	(18,550,454)	(1,899,166)	(1,300,534)	(19,149,086)
Total accumulated depreciation	(169,254,169)	(3,454,090)	(172,708,259)	(10,666,752)	(1,652,272)	(181,722,739)
Total capital assets being depreciated, net	321,228,814	(3,454,090)	317,774,724	14,482,691	288,061	331,969,354
Governmental activity capital assets, net	\$ 386,417,598	\$ (3,454,090)	\$ 382,963,508	\$ 35,015,416	\$ 22,528,607	\$ 395,450,317

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

Instruction	\$ 5,487,118
Instruction Supervision and Administration	13,423
Instruction Library, Media and Technology	232,617
School Site Administration	720,911
Home-to-school transportation	2,507
Food Services	69,191
All Other Pupil Services	76,622
Ancillary Services	171,383
All Other General Administration	245,943
Centralized Data Processing	82,230
Plant Services	3,564,807
Total	<u>\$ 10,666,752</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

Changes in long-term debt for the year ended June 30, 2022, were as follows:

	Balance July 1, 2021	Additions	Deductions	Balance, June 30, 2022	Amount Due in One Year
General Obligation Bonds:					
Bond principal	\$ 158,522,972	\$ -	\$ 6,625,000	\$ 151,897,972	\$ 5,350,000
Accreted interest component	9,840,006	888,106	-	10,728,112	-
Unamortized issuance premium	10,877,204	-	771,507	10,105,697	593,481
Sub-Total GO Bonds	179,240,182	888,106	7,396,507	172,731,781	5,943,481
Lease Revenue Bonds:					
Bond principal	29,923,476	-	135,000	29,788,476	215,000
Accreted interest component	745,358	147,386	-	892,744	-
Unamortized issuance premium	1,916,379	-	88,110	1,828,269	88,110
Sub-Total Lease Revenue Bonds	32,585,213	147,386	223,110	32,509,489	303,110
Certificates of Participation	2,845,000	-	645,000	2,200,000	690,000
Financed purchases	127,808	-	127,808	-	-
Redevelopment Agency	200,000	-	200,000	-	-
Compensated Absences	4,548,947	656,525	-	5,205,472	-
Early Retirement Incentives	7,725,385	3,572	1,935,612	5,793,345	1,940,333
Direct Borrowings and Direct Placements:					
Energy Efficiency Financing	20,471,722	-	1,995,071	18,476,651	2,235,484
Total	\$ 247,744,257	\$ 1,695,589	\$ 12,523,108	\$ 236,916,738	\$ 11,112,408

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 financed purchases 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.

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, 2022

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

A. General Obligation Bonds (continued)

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, 2022, 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, 2022, deferred amounts on refunding were \$1,618,854.

A summary of all bonds issued and outstanding at June 30, 2022 follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2021	Issuances	Payments	Balance, June 30, 2022
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	1,275,000	-	90,000	1,185,000
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	46,195,000	-	2,190,000	44,005,000
Refunding Bonds								
2011 Refi.	11/2/2011	8/1/2022	2.00% - 5.00%	20,295,000	5,465,000	-	2,595,000	2,870,000
2012 Refi.	11/28/2012	8/1/2028	2.625% - 5.000%	25,200,000	2,505,000	-	1,180,000	1,325,000
2021 Refi.	5/4/2021	8/1/2039	0.191% - 2.909%	39,975,000	39,975,000	-	570,000	39,405,000
				<u>\$ 260,267,972</u>	<u>\$ 158,522,972</u>	<u>\$ -</u>	<u>\$ 6,625,000</u>	<u>\$ 151,897,972</u>

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2022, were as follows:

Fiscal Year	Principal	Interest	Total
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
2026-27	6,041,162	11,459,504	17,500,666
2027-32	24,270,000	23,857,399	48,127,399
2032-37	30,020,000	18,920,355	48,940,355
2037-42	48,825,000	11,000,634	59,825,634
2042-44	24,645,000	1,185,550	25,830,550
Totals	<u>\$ 151,897,972</u>	<u>\$ 96,026,052</u>	<u>\$ 247,924,024</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR 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
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
2026-27	600,000	1,192,700	1,792,700
2027-32	5,025,000	5,346,381	10,371,381
2032-37	6,411,462	6,887,845	13,299,307
2037-42	12,607,014	4,182,986	16,790,000
2042-43	3,755,000	93,875	3,848,875
Totals	\$ 29,788,476	\$ 22,695,512	\$ 52,483,988

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 \$(19,427) remain to be amortized. As of June 30, 2022, 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, 2022 were as follows:

Fiscal Year	Principal	Interest	Total
2022-23	\$ 690,000	\$ 79,381	\$ 769,381
2023-24	730,000	49,637	779,637
2024-25	780,000	17,063	797,063
Totals	\$ 2,200,000	\$ 146,081	\$ 2,346,081

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

D. Financed Purchases

The District has entered into an agreement to purchase vehicles valued at approximately \$575,000. The agreement is, in substance, a purchase and is reported as a financed purchase. As of June 30, 2022, this obligation was fully paid.

E. Redevelopment Agency

On February 21, 2007, the District entered into a contract with the redevelopment agency. The contract was 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 was being repaid in annual installments of \$200,000, beginning June 15, 2008. The remaining \$2 million was 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, 2022, this obligation was fully paid.

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, 2022, the following payments remain outstanding:

Fiscal Year	Payment
2022-23	\$ 1,940,333
2023-24	1,938,576
2024-25	957,218
2025-26	957,218
Total	<u>\$ 5,793,345</u>

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 \$116,441,995 as of June 30, 2022, does not represent debt of the District and, as such, does not appear in the financial statements.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

H. Direct Borrowings and Direct Placements

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. The agreements do not meet the criteria to be considered a lease under GASB 87.

Future payments due under the agreements are as follows:

Fiscal Year	Principal	Interest	Total
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
2026-27	3,222,193	252,983	3,475,176
2027-32	2,828,541	671,999	3,500,540
2032-35	2,054,370	145,289	2,199,659
Totals	\$ 18,476,651	\$ 3,072,375	\$ 21,549,026

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2022, 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	\$ 56,218,202	\$ 15,030,794	\$ 19,446,325	\$ 4,293,676
MPP Program	1,123,572	-	-	(94,117)
Total	\$ 57,341,774	\$ 15,030,794	\$ 19,446,325	\$ 4,199,559

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.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

District Plan (continued)

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 \$11,700 negotiated cap per eligible employee. The retired employees pay the same surcharge for their coverage as the active employees.

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, 2022, the annual district contribution is \$11,700 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 \$11,700). 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 December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	199
Active employees	1,960
Total	<u>2,159</u>

Total OPEB Liability

The District's total OPEB liability of \$56,218,202 for the Plan was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

District Plan (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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	December 31, 2021
Inflation	2.50 percent
Salary increases	2.75 percent
Healthcare cost trend rates	4.00 percent per year

Discount Rate

The discount rate is 2.06 percent. This discount rate is based on an index of 20 year general obligation municipal bonds rated AA or higher.

Mortality Rates

The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and School Employees tables for classified employees and the 2020 CalSTRS Mortality Tables for Certificated Employees.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2021	\$ 47,509,948
Changes for the year:	
Service cost	4,079,375
Interest	1,024,243
Differences between expected and actual experience	3,995,744
Changes of assumptions	2,081,478
Benefit payments	(2,472,586)
Net changes	8,708,254
Balance at December 31, 2021	<u><u>\$ 56,218,202</u></u>

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	\$ 60,130,549
Current discount rate	\$ 56,218,202
1% increase	\$ 52,465,134

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

District Plan (continued)

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	\$ 49,894,063
Current trend rate	\$ 56,218,202
1% increase	\$ 63,731,762

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$4,293,676. In addition, at June 30, 2022, 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	\$ 1,091,006	\$ -
Differences between expected and actual experience	9,030,175	2,374,634
Changes of assumptions	4,909,613	17,071,691
Total	<u>\$ 15,030,794</u>	<u>\$ 19,446,325</u>

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
2023	\$ 2,554,521	\$ 3,364,463
2024	2,554,521	3,364,463
2025	2,554,521	3,364,459
2026	2,554,518	3,117,650
2027	471,103	3,117,650
Thereafter	3,250,604	3,117,640
Total	<u>\$ 13,939,788</u>	<u>\$ 19,446,325</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

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, 2020 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 pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2021, 5,096 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, 2022, the District reported a liability of \$1,123,572 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2021, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total OPEB liability to June 30, 2021. 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, 2022</u>	<u>Fiscal Year Ending June 30, 2021</u>	
Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	
Proportion of the Net OPEB Liability	0.281693%	0.287337%	-0.005644%

For the year ended June 30, 2022, the District reported OPEB expense of \$(94,117).

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

Medicare Premium Payment (MPP) Program (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Experience Study	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.16%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 245 or an average of 0.16% of the potentially eligible population of 152,062.

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, 2021, 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, 2021, 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, 2021, was 2.16%, which is a decrease from 2.21% as of June 30, 2020.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

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

Medicare Premium Payment (MPP) Program (continued)

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	\$ 1,238,486
Current discount rate	\$ 1,123,572
1% increase	\$ 1,025,391

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	\$ 1,021,757
Current trend rate	\$ 1,123,572
1% increase	\$ 1,240,300

NOTE 9 – PENSION PLANS

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

For the fiscal year ended June 30, 2022, 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	\$ 85,282,160	\$ 37,601,664	\$ 81,596,738	\$ (3,789,484)
CalPERS	49,637,050	13,621,670	22,964,129	5,481,685
Total	<u>\$ 134,919,210</u>	<u>\$ 51,223,334</u>	<u>\$ 104,560,867</u>	<u>\$ 1,692,201</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, 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, 2022, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	16.92%	16.92%
Required State Contribution Rate	10.828%	10.828%

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

Contributions

The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. California Senate Bill 90 (Chapter 33, Statutes of 2019) and California Assembly Bill 84 (Chapter 16, Statutes of 2020) (collectively, special legislation)—signed into law in June 2019 and June 2020, respectively—provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

The contribution rates for each program for the year ended June 30, 2022, are presented above, and the District's total contributions were \$19,899,805.

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

At June 30, 2022, 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	\$	85,282,160
State's proportionate share of the net pension liability associated with the District		<u>42,910,675</u>
Total	\$	<u>128,192,835</u>

The net pension liability was measured as of June 30, 2021. 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, 2022	Fiscal Year Ending June 30, 2021	
Measurement Date	June 30, 2021	June 30, 2020	
Proportion of the Net Pension Liability	0.187400%	0.189599%	-0.002198%

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS)

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

For the year ended June 30, 2022, the District recognized pension expense of \$(3,789,484). In addition, the District recognized pension expense and revenue of \$(7,479,392) for support provided by the State. At June 30, 2022, 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	\$ 19,899,805	\$ -
Net change in proportionate share of net pension liability	5,404,646	5,060,553
Difference between projected and actual earnings on pension plan investments	-	67,460,385
Changes of assumptions	12,083,576	-
Differences between expected and actual experience	213,637	9,075,800
Total	<u>\$ 37,601,664</u>	<u>\$ 81,596,738</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 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	\$ 7,598,265	\$ 19,938,792
2023	6,771,578	18,154,740
2024	1,098,803	18,653,225
2025	1,098,803	21,029,400
2026	1,098,803	1,897,180
Thereafter	35,607	1,923,401
Total	<u>\$ 17,701,859</u>	<u>\$ 81,596,738</u>

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
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, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from 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%)	\$ 173,603,953
Current discount rate (7.10%)	85,282,160
1% increase (8.10%)	11,976,758

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. Through the special legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately \$2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. 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 \$12,052,183.

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, 2020 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, 2022

NOTE 9 – PENSION PLANS (continued)

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the 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, 2022, 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
Required Employee Contribution Rate	7.00%	7.00%
Required Employer Contribution Rate	20.91%	20.91%

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, 2022 are presented above, and the total District contributions were \$9,195,122.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$49,637,050. The net pension liability was measured as of June 30, 2021. 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, 2022	Fiscal Year Ending June 30, 2021	
Measurement Date	June 30, 2021	June 30, 2020	
Proportion of the Net Pension Liability	0.244103%	0.247797%	-0.003694%

For the year ended June 30, 2022, the District recognized pension expense of \$5,481,685. At June 30, 2022, 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	\$ 9,195,122	\$ -
Net change in proportionate share of net pension liability	417,979	1,271,115
Difference between projected and actual earnings on pension plan investments	2,526,776	21,575,998
Changes of assumptions	-	-
Differences between expected and actual experience	1,481,793	117,015
Total	\$ 13,621,670	\$ 22,964,129

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 4.0 years.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – PENSION PLANS (continued)

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

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

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 2,205,822	\$ 6,069,991
2023	1,456,295	5,663,691
2024	764,431	5,663,691
2025	-	5,566,756
2026	-	-
Thereafter	-	-
Total	<u>\$ 4,426,548</u>	<u>\$ 22,964,129</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, 2020 and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	1997-2015
Actuarial Cost Method	Entry age normal
Discount Rate	7.15%
Inflation Rate	2.50%
Salary Increases	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, 2022

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11+
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	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%)	\$ 83,695,036
Current discount rate (7.15%)	49,637,050
1% increase (8.15%)	21,361,614

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, 2022, the District reported payables of \$537,620 and \$138,091 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2022.

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – 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. Financial information is available directly from the respective entities.

NOTE 11 – 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, 2022, 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.

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, 2020 to June 30, 2022:

Unpaid Claims Liabilities:

Liability Balance, July 1, 2020	\$	248,674
Claims and changes in estimates		479,894
Claims payments		(316,936)
Liability Balance, June 30, 2021		411,632
Claims and changes in estimates		(209,481)
Claims payments		(94,770)
Liability Balance, June 30, 2022	\$	107,381
Assets available to pay claims at June 30, 2022	\$	753,335

JURUPA UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 12 – 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, 2022, the District had commitments with respect to unfinished capital projects of approximately \$41.3 million to be paid from a combination of State and local funds.

NOTE 13 – ADJUSTMENT FOR RESTATEMENT

The District has restated the beginning net position at July 1, 2021 in the amount of \$(3,454,090) to account for additional accumulated depreciation. See Note 6 for additional details.

Required Supplementary Information

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JURUPA UNIFIED SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual (Budgetary Basis)	Final Budget - Pos (Neg)
Revenues				
LCFF sources	\$ 213,781,669	\$ 221,272,665	\$ 221,272,665	\$ -
Federal sources	16,002,968	36,141,591	36,141,591	-
Other state sources	21,195,484	33,354,599	33,354,599	-
Other local sources	10,709,998	10,646,237	10,646,237	-
Total Revenues	261,690,119	301,415,092	301,415,092	-
Expenditures				
Current:				
Certificated salaries	116,683,759	122,026,405	122,026,405	-
Classified salaries	44,874,450	44,780,801	44,780,801	-
Employee benefits	71,427,843	69,863,985	69,863,985	-
Books and supplies	24,734,016	12,817,962	12,817,962	-
Services and operating expenditures	30,837,589	29,977,732	29,977,732	-
Capital outlay	702,583	2,105,398	2,105,398	-
Other outgo	4,269,183	3,603,777	3,603,777	-
Transfers of indirect costs	(319,986)	(237,726)	(237,726)	-
Total Expenditures	293,209,437	284,938,334	284,938,334	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(31,519,318)	16,476,758	16,476,758	-
Other Financing Sources and Uses				
Interfund transfers in	-	500,000	500,000	-
Net Change in Fund Balances	(31,519,318)	16,976,758	16,976,758	-
Fund Balance, July 1, 2021	136,842,050	80,481,745	80,481,745	-
Fund Balance, June 30, 2022	\$ 105,322,732	\$ 97,458,503	97,458,503	\$ -

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

Special Reserve Fund for Other Than Capital Outlay 1,933,765

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

\$ 99,392,268

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of Proportionate Share of the Net Pension Liability – CalSTRS
For the Fiscal Year Ended June 30, 2022*

	<i>Last Ten Fiscal Years*</i>			
	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
CalSTRS				
District's proportion of the net pension liability	<u>0.1874%</u>	<u>0.1896%</u>	<u>0.1932%</u>	<u>0.1865%</u>
District's proportionate share of the net pension liability	<u>\$ 85,282,160</u>	<u>\$ 183,738,075</u>	<u>\$ 174,460,715</u>	<u>\$ 171,370,171</u>
State's proportionate share of the net pension liability associated with the District	<u>42,910,675</u>	<u>94,716,999</u>	<u>95,179,967</u>	<u>98,117,438</u>
Totals	<u>\$ 128,192,835</u>	<u>\$ 278,455,074</u>	<u>\$ 269,640,682</u>	<u>\$ 269,487,609</u>
District's covered payroll	<u>\$ 100,693,398</u>	<u>\$ 103,866,848</u>	<u>\$ 104,927,617</u>	<u>\$ 101,097,658</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>84.69%</u>	<u>176.90%</u>	<u>166.27%</u>	<u>169.51%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87%</u>	<u>72%</u>	<u>73%</u>	<u>71%</u>
	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
District's proportion of the net pension liability	<u>0.1868%</u>	<u>0.1883%</u>	<u>0.1850%</u>	<u>0.1770%</u>
District's proportionate share of the net pension liability	<u>\$ 172,718,949</u>	<u>\$ 152,056,280</u>	<u>\$ 124,549,400</u>	<u>\$ 103,433,490</u>
State's proportionate share of the net pension liability associated with the District	<u>102,179,071</u>	<u>86,575,672</u>	<u>65,872,726</u>	<u>62,458,234</u>
Totals	<u>\$ 274,898,020</u>	<u>\$ 238,631,952</u>	<u>\$ 190,422,126</u>	<u>\$ 165,891,724</u>
District's covered payroll	<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 payroll	<u>173.13%</u>	<u>160.22%</u>	<u>145.14%</u>	<u>131.43%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</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 Proportionate Share of the Net Pension Liability – CalPERS
For the Fiscal Year Ended June 30, 2022**Last Ten Fiscal Years**

CalPERS	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.2441%	0.2478%	0.2488%	0.2451%
District's proportionate share of the net pension liability	\$ 49,637,050	\$ 76,031,847	\$ 72,515,532	\$ 65,354,668
District's covered payroll	\$ 37,057,355	\$ 35,284,879	\$ 34,592,598	\$ 32,670,620
District's proportionate share of the net pension liability as a percentage of its covered payroll	133.95%	215.48%	209.63%	200.04%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%
	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.2456%	0.2434%	0.2205%	0.2129%
District's proportionate share of the net pension liability	\$ 58,626,120	\$ 48,071,651	\$ 32,501,918	\$ 24,169,334
District's covered payroll	\$ 31,885,808	\$ 29,223,694	\$ 35,585,736	\$ 33,850,280
District's proportionate share of the net pension liability as a percentage of its covered payroll	183.86%	164.50%	91.33%	71.40%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

* 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 - CalSTRS
For the Fiscal Year Ended June 30, 2022

*Last Ten Fiscal Years**

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
CalSTRS				
Contractually required contribution	\$ 19,899,805	\$ 17,218,571	\$ 17,761,231	\$ 17,082,216
Contributions in relation to the contractually required contribution	<u>19,899,805</u>	<u>17,218,571</u>	<u>17,761,231</u>	<u>17,082,216</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 117,611,141</u>	<u>\$ 100,693,398</u>	<u>\$ 103,866,848</u>	<u>\$ 104,927,617</u>
Contributions as a percentage of covered payroll	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 14,588,392	\$ 12,550,166	\$ 10,183,313	\$ 7,619,979
Contributions in relation to the contractually required contribution	<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>
District's covered payroll	<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 payroll	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</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 – CalPERS
For the Fiscal Year Ended June 30, 2022

*Last Ten Fiscal Years**

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
CalPERS				
Contractually required contribution	\$ 9,195,122	\$ 7,308,081	\$ 6,958,531	\$ 6,248,115
Contributions in relation to the contractually required contribution	<u>9,195,122</u>	<u>7,308,081</u>	<u>6,958,531</u>	<u>6,248,115</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 43,974,758</u>	<u>\$ 37,057,355</u>	<u>\$ 35,284,879</u>	<u>\$ 34,592,598</u>
Contributions as a percentage of covered payroll	<u>20.910%</u>	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 5,074,074	\$ 4,428,301	\$ 3,462,131	\$ 4,188,797
Contributions in relation to the contractually required contribution	<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>
District's covered payroll	<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 payroll	<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, 2022

	Last 10 Fiscal Years*				
Employer's Fiscal Year Measurement Date, December 31,	2021-22 2021	2020-21 2020	2019-20 2019	2018-19 2018	2017-18 2017
Total OPEB liability					
Service cost	\$ 4,079,375	\$ 3,960,558	\$ 3,257,034	\$ 3,162,169	\$ 3,059,671
Interest	1,024,243	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	3,995,744	(3,166,180)	9,352,314	-	-
Changes of assumptions or other inputs	2,081,478	(21,775,010)	5,231,609	(1,727,687)	-
Benefit payments	(2,472,586)	(2,255,124)	(2,481,859)	(2,094,189)	(1,994,466)
Net change in total OPEB liability	8,708,254	(21,161,882)	17,384,624	2,900,330	2,665,948
Total OPEB liability - beginning	47,509,948	68,671,830	51,287,206	48,386,876	45,720,928
Total OPEB liability - ending	<u>\$ 56,218,202</u>	<u>\$ 47,509,948</u>	<u>\$ 68,671,830</u>	<u>\$ 51,287,206</u>	<u>\$ 48,386,876</u>
Covered payroll	<u>\$ 134,074,437</u>	<u>\$ 130,486,070</u>	<u>\$ 126,685,505</u>	<u>\$ 102,297,000</u>	<u>\$ 102,297,000</u>
Total OPEB liability as a percentage of employee payroll	<u>41.9%</u>	<u>36.4%</u>	<u>54.2%</u>	<u>50.1%</u>	<u>47.3%</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 the District's Proportionate Share of the Net OPEB Liability – MPP Program

For the Fiscal Year Ended June 30, 2022

Employer's Fiscal Year Measurement Period	Last 10 Fiscal Years*				
	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17
District's proportion of net OPEB liability	0.2817%	0.2873%	0.2986%	0.2932%	0.2973%
District's proportionate share of net OPEB liability	\$ 1,123,572	\$ 1,217,689	\$ 1,111,799	\$ 1,122,347	\$ 1,250,560
Covered-employee payroll	N/A	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	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.80%)	(0.71%)	(0.81%)	0.40%	0.01%

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

JURUPA UNIFIED SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

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 2.12 percent to 2.06 percent since the previous valuation.

JURUPA UNIFIED SCHOOL DISTRICT

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2022*

NOTE 1 – PURPOSE OF SCHEDULES (continued)

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

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

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

Change of assumptions – The discount rate was changed from 2.21 percent to 2.16 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, 2022

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
Melissa Ragole	President	December, 2022
Robert Garcia	Clerk	December, 2022
Eric Ditwiler	Member	December, 2024
Joseph Navarro	Member	December, 2024
Karen Bradford	Member	December, 2022

DISTRICT ADMINISTRATORS

Trenton Hansen, Ph.D.,
Superintendent

Daniel Brooks,
Assistant Superintendent, Personnel Services

Rosa Santos-Lee,
Assistant Superintendent, Pupil Services

Dave Doubravsky,
Assistant Superintendent, Education Services

Paula Ford,
Assistant Superintendent, Business Services

JURUPA UNIFIED SCHOOL DISTRICT

Balance Sheet – Non-Major Funds

June 30, 2022

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Foundation Special Revenue Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Bond Interest and Redemption Fund	Foundation Trust Fund	Total
ASSETS										
Deposits and investments	\$ 950,535	\$ 544,369	\$ 483,613	\$ 4,434,759	\$ 48,868	\$ 31	\$ 28,281,183	\$ 23,189,404	\$ 38	\$ 57,932,800
Accounts receivable	-	63,804	376,965	2,113,074	494	92	51,628	-	-	2,606,057
Due from other funds	-	-	62,646	11,047	48	-	27,007	-	10	100,758
Inventories	36,416	-	-	183,481	-	-	-	-	-	219,897
Total Assets	<u>\$ 986,951</u>	<u>\$ 608,173</u>	<u>\$ 923,224</u>	<u>\$ 6,742,361</u>	<u>\$ 49,410</u>	<u>\$ 123</u>	<u>\$ 28,359,818</u>	<u>\$ 23,189,404</u>	<u>\$ 48</u>	<u>\$ 60,859,512</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 80,112	\$ 59,998	\$ 99,005	\$ 600	\$ -	\$ 120,080	\$ -	\$ -	\$ 359,795
Due to other funds	-	46,526	376,604	1,558,593	10	92	-	-	48	1,981,873
Unearned revenues	-	-	101,159	59,923	-	-	-	-	-	161,082
Total Liabilities	<u>-</u>	<u>126,638</u>	<u>537,761</u>	<u>1,717,521</u>	<u>610</u>	<u>92</u>	<u>120,080</u>	<u>-</u>	<u>48</u>	<u>2,502,750</u>
Fund Balances										
Nonspendable	36,416	-	-	183,481	-	-	-	-	-	219,897
Restricted	950,535	481,535	385,463	4,841,359	48,800	31	28,239,738	23,189,404	-	58,136,865
Total Fund Balances	<u>986,951</u>	<u>481,535</u>	<u>385,463</u>	<u>5,024,840</u>	<u>48,800</u>	<u>31</u>	<u>28,239,738</u>	<u>23,189,404</u>	<u>-</u>	<u>58,356,762</u>
Total Liabilities and Fund Balances	<u>\$ 986,951</u>	<u>\$ 608,173</u>	<u>\$ 923,224</u>	<u>\$ 6,742,361</u>	<u>\$ 49,410</u>	<u>\$ 123</u>	<u>\$ 28,359,818</u>	<u>\$ 23,189,404</u>	<u>\$ 48</u>	<u>\$ 60,859,512</u>

JURUPA UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Funds For the Fiscal Year Ended June 30, 2022

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Foundation Special Revenue Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Bond Interest and Redemption Fund	Foundation Trust Fund	Total
REVENUES										
Federal sources	\$ -	\$ 238,170	\$ 113,400	\$ 12,397,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,749,439
Other state sources	-	1,179,865	1,445,247	594,431	-	9,935,910	-	68,377	-	13,223,830
Other local sources	1,348,940	(228)	877,872	40,363	64,247	7,117	6,157,553	13,584,241	38	22,080,143
Total Revenues	1,348,940	1,417,807	2,436,519	13,032,663	64,247	9,943,027	6,157,553	13,652,618	38	48,053,412
EXPENDITURES										
Current:										
Instruction	-	923,974	1,240,988	-	-	-	-	-	-	2,164,962
Instruction-related services										
Supervision of instruction	-	236	1,113,109	-	-	-	-	-	-	1,113,345
Instructional library, media and technology	-	7,555	-	-	-	-	-	-	-	7,555
School site administration	-	626,989	-	-	-	-	-	-	-	626,989
Pupil Services										
Food services	-	-	-	8,256,420	-	-	-	-	-	8,256,420
All other pupil services	-	-	110,246	-	15,204	-	-	-	48,520	173,970
Plant services	-	-	75,557	-	-	-	365,969	-	-	441,526
Transfers of indirect costs	-	46,034	35,046	156,646	-	-	-	-	-	237,726
Ancillary services	1,218,090	-	-	-	-	-	-	-	-	1,218,090
Community services	-	-	-	-	233	-	-	-	-	233
Capital Outlay	-	-	-	-	-	-	549,411	-	-	549,411
Debt Service:										
Principal	-	-	-	-	-	-	780,000	6,625,000	-	7,405,000
Interest	-	-	-	-	-	-	1,584,249	5,637,537	-	7,221,786
Total Expenditures	1,218,090	1,604,788	2,574,946	8,413,066	15,437	-	3,279,629	12,262,537	48,520	29,417,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	130,850	(186,981)	(138,427)	4,619,597	48,810	9,943,027	2,877,924	1,390,081	(48,482)	18,636,399
OTHER FINANCING SOURCES (USES)										
Interfund transfers in	-	-	-	-	-	-	-	-	10	10
Interfund transfers out	-	-	-	-	(10)	(50,578,085)	(500,000)	-	-	(51,078,095)
Proceeds from disposal of capital assets	-	-	-	-	-	-	26,845	-	-	26,845
Total Other Financing Sources and Uses	-	-	-	-	(10)	(50,578,085)	(473,155)	-	10	(51,051,240)
Net Change in Fund Balances	130,850	(186,981)	(138,427)	4,619,597	48,800	(40,635,058)	2,404,769	1,390,081	(48,472)	(32,414,841)
Fund Balances, July 1, 2021	856,101	668,516	523,890	405,243	-	40,635,089	25,834,969	21,799,323	48,472	90,771,603
Fund Balances, June 30, 2022	\$ 986,951	\$ 481,535	\$ 385,463	\$ 5,024,840	\$ 48,800	\$ 31	\$ 28,239,738	\$ 23,189,404	\$ -	\$ 58,356,762

See accompanying note to supplementary information.

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of Average Daily Attendance**For the Fiscal Year Ended June 30, 2022*

	Second Period Report	Annual Report
	Certificate No. E7A86048	Certificate No. B1B58EDB
Regular ADA:		
TK/K-3	4,957.29	4,978.20
Grades 4-6	3,846.14	3,855.74
Grades 7-8	2,569.38	2,566.29
Grades 9-12	5,264.35	5,222.59
Total Regular ADA	16,637.16	16,622.82
Special Education - Nonpublic, Nonsectarian Schools:		
TK/K-3	21.10	19.86
Grades 4-6	13.61	12.61
Grades 7-8	2.68	2.61
Grades 9-12	9.63	9.10
Total Special Education, Nonpublic, Nonsectarian Schools	47.02	44.18
Total ADA	16,684.18	16,667.00

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of Instructional Time**For the Fiscal Year Ended June 30, 2022*

Grade Level	Instructional Minute Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	36,000	180	Complied
Grade 1	50,400	52,800	180	Complied
Grade 2	50,400	52,800	180	Complied
Grade 3	50,400	52,800	180	Complied
Grade 4	54,000	54,000	180	Complied
Grade 5	54,000	54,000	180	Complied
Grade 6	54,000	54,000	180	Complied
Grade 7	54,000	55,379	180	Complied
Grade 8	54,000	55,379	180	Complied
Grade 9	64,800	64,867	180	Complied
Grade 10	64,800	64,867	180	Complied
Grade 11	64,800	64,867	180	Complied
Grade 12	64,800	64,867	180	Complied

JURUPA UNIFIED SCHOOL DISTRICT*Schedule of Financial Trends and Analysis**For the Fiscal Year Ended June 30, 2022*

General Fund	(Budget) 2023 ²	2022 ³	2021	2020
Revenues and other financing sources	\$ 337,921,819	\$ 301,915,092	\$ 292,921,522	\$ 251,194,193
Expenditures	330,771,782	284,938,334	254,962,346	239,054,233
Other uses and transfers out	11,500,000	-	-	1,641,164
Total outgo	342,271,782	284,938,334	254,962,346	240,695,397
Change in fund balance (deficit)	(4,349,963)	16,976,758	37,959,176	10,498,796
Ending fund balance	\$ 93,108,540	\$ 97,458,503	\$ 80,481,745	\$ 42,522,569
Available reserves ¹	\$ 21,076,374	\$ 22,067,099	\$ 24,220,583	\$ 30,423,174
Available reserves as a percentage of total outgo	6.2%	7.7%	9.5%	12.6%
Total long-term debt	\$ 418,065,314	\$ 429,177,722	\$ 556,241,816	\$ 567,126,644
Average daily attendance at P-2	17,269	16,684	N/A	18,209

The General Fund balance has increased by \$54.9 million over the past two years. The fiscal year 2022-23 adopted budget projects a decrease of \$4.3 million. 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 decreased \$137.9 million over the past two years due primarily to the net pension liability.

The District has not incurred an operating deficit in any of the past three years, but does anticipate incurring an operating deficit during the 2022-23 fiscal year.

ADA has decreased by 1,525 in the past two years. The District is budgeting 17,269 ADA for 2022-23.

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

² As of September 2022

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, 2022*

	Capital Projects Fund for Blended Component Units
June 30, 2022, annual financial and budget report fund balance	\$ 32,150,340
Adjustments and reclassifications:	
Increase (decrease) in total fund balances:	
Investments understated	8,805
Total adjustments	8,805
June 30, 2022, audited financial statement fund balance	<u>\$ 32,159,145</u>

JURUPA UNIFIED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

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	\$ 969,505	
National School Lunch Program	10.555	13523	6,731,719	
SNP COVID-19 Emergency Operational Costs Reimbursement	10.555	15637	204,023	
USDA Donated Foods	10.555	N/A	301,347	
Total Child Nutrition Cluster				\$ 8,206,594
Fresh Fruit and Vegetable Program	10.582	14968		60,180
COVID-19 Pandemic EBT Local Administrative Grant	10.649	15644		5,815
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	288,082	
Cash in Lieu of Commodities	10.558	N/A	122,413	
Subtotal Child and Adult Food Program				410,495
Total U.S. Department of Agriculture				8,683,084
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	119,358	
English Literacy & Civics Education	84.002	14750	8,176	
Total Adult Basic Education Cluster				238,170
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	6,438,288	
School Improvement Funding for LEAs	84.010	15438	744,298	
Subtotal Title I Grants				7,182,586
Title II, Part A, Supporting Effective Instruction	84.367	14341		840,335
English Language Acquisition Grants:				
Title III, Immigrant Student Program	84.365	15146	13,978	
Title III, Limited English Proficiency	84.365	14346	545,792	
Subtotal English Language Acquisition				559,770
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		679,599
Title IV, Part B, 21st Century Community Learning Centers	84.287	14681		382,878
Title X, Part C, McKinney-Vento Homeless Assistance Grants	84.196	14332		2,153
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894		152,847
Passed through Riverside County SELPA:				
Individuals with Disabilities Education Act (IDEA) Cluster:				
Local Assistance Entitlement	84.027	13379	3,296,937	
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	2,669	
IDEA Preschool Grants, Part B, Section 619	84.173	13430	53,135	
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027	14468	207,697	
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	556	
COVID-19 ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	762,445	
COVID-19 ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	54,796	
Total Special Education (IDEA) Cluster				4,378,235
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	411,602	
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	11,820,921	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	636,702	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	1,257,401	
Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D	15618	2,076,627	
Expanded Learning Opportunities (ELO) Grant: GEER II	84.425C	15619	476,604	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	84.425D	15620	1,353,720	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U	15621	2,333,580	
Total Education Stabilization Fund				20,367,157
Total U.S. Department of Education				34,783,730
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education (CDE):				
Head Start	93.600	10016		1,596,031
COVID-19 (CRRSA) Act - One-time Stipend	93.575	15555		104,895
Total U.S. Department of Health & Human Services				1,700,926
Total Expenditures of Federal Awards				\$ 45,167,740

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, 2022

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 Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of 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		\$ 48,891,030
Differences between Federal Revenues and Expenditures:		
National School Lunch Program	10.555	(1,361,871)
Child and Adult Care Food Program	10.558	(1,902,859)
Supply Chain Assistance (SCA) Funds	10.555	(450,055)
ARP California State Preschool Program One-time Stipend	93.575	(113,400)
COVID-19 (CRRSA) Act - One-time Stipend	93.575	104,895
Total Schedule of Expenditures of Federal Awards		<u>\$ 45,167,740</u>

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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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control Over Financial Reporting

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

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

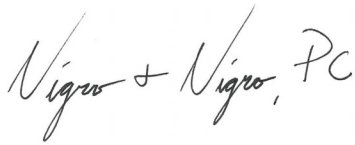
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California
November 15, 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, 2022. 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, 2022.

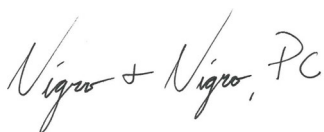
Report on Internal Control Over Compliance

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 cursive script that reads "Nigro + Nigro, PC".

Murrieta, California
November 15, 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 *2021-22 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, 2022.

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 *2021-22 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	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes

Description	Procedures Performed
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	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	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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, 2022.

Nigro + Nigro, PC

Murrieta, California
November 15, 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, 2022

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
10.555, 10.553	Child Nutrition Cluster
84.425D, 84.425U, & 84.425C	Education Stabilization Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 1,355,032
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, 2022

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 2021-22.

JURUPA UNIFIED SCHOOL DISTRICT
Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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 2021-22.

JURUPA UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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 2021-22.

JURUPA UNIFIED SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2022

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



To the Board of Education
Jurupa Unified School District
Jurupa Valley, California

In planning and performing our audit of the basic financial statements of Jurupa Unified School District for the year ending June 30, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated November 15, 2022 on the financial statements of Jurupa Unified School District.

Observation: The collective bargaining agreement with CSEA specifies that by the end of the fiscal year, employees shall not have an earned vacation balance that exceeds more than can be earned in a fiscal year unless the employee has the written approval of the superintendent or a designee. While the maximum amount differs based on employees' years of service, the maximum amount for any CSEA employee is 44 days. A significant number of classified employees, both CSEA members and non-members, are carrying accrued vacation balances in excess of 44 days. The liability for those accrued vacation balances continues to grow each year as each employee's hourly rate of pay is increased for step and column changes, as well as negotiated salary increases. At June 30, 2022 the liability for those accrued vacation balances exceeds \$5.2 million.

Recommendation: In order to prevent the liability from continuing to grow to excessive amounts, the District should investigate either requiring employees to take more vacation, paying off some of the excessive balances, or enforcing the cap limitation so that once employees reach the accrued vacation cap, they may not accrue additional vacation.

We will review the status of the current year comments during our next audit engagement.

Murrieta, California
November 15, 2022