JEFFERSON ELEMENTARY SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2022

JEFFERSON ELEMENTARY SCHOOL DISTRICT
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Independent Auditors' Report

Governing Board
Jefferson Elementary School District
Tracy, 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 the Jefferson Elementary School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Jefferson Elementary School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Jefferson Elementary School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Jefferson Elementary School 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 Jefferson Elementary School 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.

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Auditor's 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 generally accepted auditing standards 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 judgement made by a reasonable user of the financial statements.

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

- Exercise professional judgement 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 Jefferson Elementary School 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson Elementary School 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 required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 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 Jefferson Elementary School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 on our consideration of the Jefferson Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson Elementary School District's internal control over financial reporting and compliance.

Christy White, Inc

San Diego, California
December 12, 2022

JEFFERSON ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

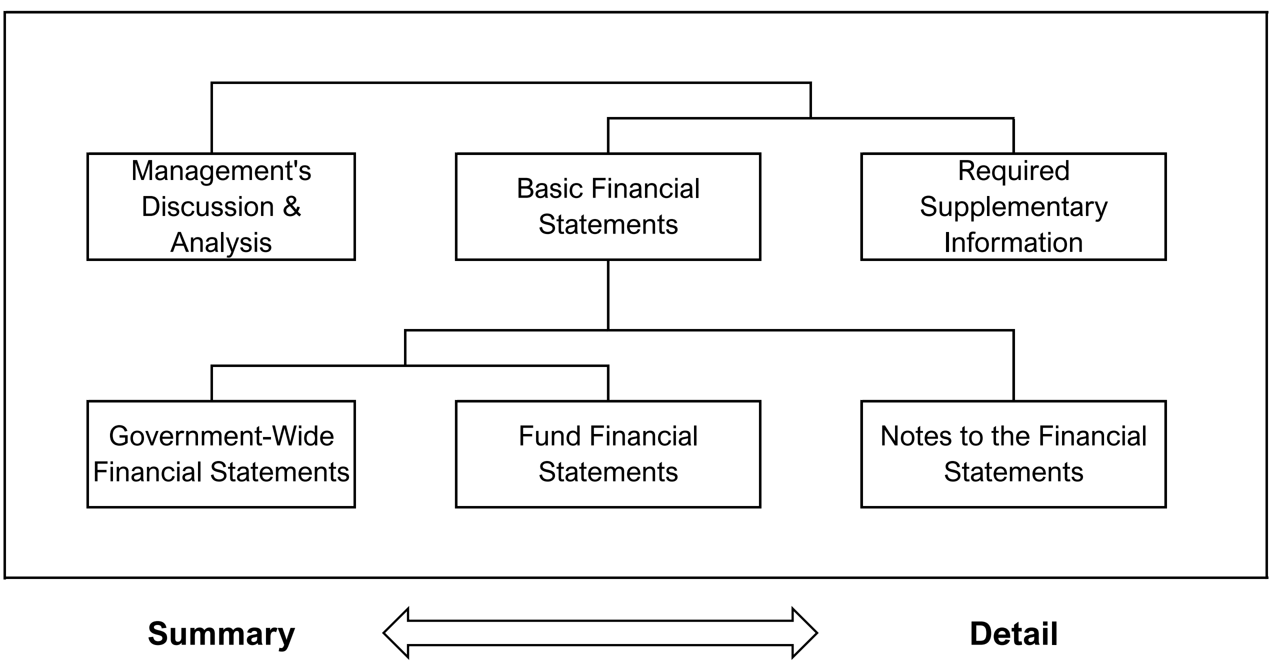
Our discussion and analysis of Jefferson Elementary School District's financial performance provide an overview of the District's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was $63,809,774 on June 30, 2022. This was an increase of $11,101,640 from the prior year.
- Overall revenues were $36,233,280 which exceeded expenses of $25,131,640.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

  - **Governmental Funds** 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.

  - **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

  - **Fiduciary Funds** report resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide statement because the resources of the fund are not available to support the District's own programs.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

The government-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 government'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 government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $63,809,774 at June 30, 2022, as reflected in the table below. Of this amount, $(13,494,159) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2022	2021	Net Change
ASSETS			
Current and other assets	$ 65,651,597	$ 51,271,768	$ 14,379,829
Capital assets	66,929,243	67,248,545	(319,302)
Total Assets	132,580,840	118,520,313	14,060,527
DEFERRED OUTFLOWS OF RESOURCES	7,827,764	5,438,647	2,389,117
LIABILITIES			
Current liabilities	5,227,293	2,263,083	2,964,210
Long-term liabilities	61,174,165	67,831,200	(6,657,035)
Total Liabilities	66,401,458	70,094,283	(3,692,825)
DEFERRED INFLOWS OF RESOURCES	10,197,372	1,156,543	9,040,829
NET POSITION			
Net investment in capital assets	27,471,074	35,161,248	(7,690,174)
Restricted	49,832,859	40,596,884	9,235,975
Unrestricted	(13,494,159)	(23,049,998)	9,555,839
Total Net Position	$ 63,809,774	$ 52,708,134	$ 11,101,640

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2022	2021	Net Change
REVENUES			
Program revenues			
Charges for services	$ 10,667,295	$ 26,552,884	$ (15,885,589)
Operating grants and contributions	4,646,415	4,465,145	181,270
General revenues			
Property taxes	7,453,002	6,581,484	871,518
Unrestricted federal and state aid	14,536,131	14,702,651	(166,520)
Other	(1,069,563)	8,199,141	(9,268,704)
Total Revenues	36,233,280	60,501,305	(24,268,025)
EXPENSES			
Instruction	15,225,410	17,414,392	(2,188,982)
Instruction-related services	1,937,785	2,425,500	(487,715)
Pupil services	2,305,097	1,537,794	767,303
General administration	1,648,809	1,752,803	(103,994)
Plant services	2,002,806	2,916,493	(913,687)
Ancillary and community services	631	1,120	(489)
Debt service	994,374	1,472,050	(477,676)
Other outgo	1,016,728	425,216	591,512
Total Expenses	25,131,640	27,945,368	(2,813,728)
Change in net position	11,101,640	32,555,937	(21,454,297)
Net Position - Beginning	52,708,134	20,152,197	32,555,937
Net Position - Ending	$ 63,809,774	$ 52,708,134	$ 11,101,640

The cost of all our governmental activities this year was $25,131,640 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only $7,453,002 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2022	**2021**
Instruction	$ 12,071,506	$ 13,274,166
Instruction-related services	1,799,494	1,979,574
Pupil services	(773,336)	707,477
General administration	1,505,987	1,710,317
Plant services	(2,701,796)	(22,478,271)
Ancillary and community services	631	1,101
Debt service	994,374	1,472,050
Transfers to other agencies	(3,078,930)	260,925
Total	$ 9,817,930	$ (3,072,661)

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR 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 $61,053,387, which is more than last year's ending fund balance of $49,526,398. The District's General Fund had $200,323 less in operating revenues than expenditures for the year ended June 30, 2022. The District's Capital Facilities Fund had $8,871,051 more in operating revenues than expenditures for the year ended June 30, 2022 primarily due to the receipt of approximately $9 million in developer fees.

CURRENT YEAR BUDGET 2021-2022

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2021-2022 the District had invested $66,929,243 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2022	2021	Net Change
CAPITAL ASSETS			
Land	$ 13,735,263	$ 13,735,263	$ -
Construction in progress	4,763,715	3,665,855	1,097,860
Land improvements	2,221,322	2,221,322	-
Buildings & improvements	64,942,196	64,942,196	-
Furniture & equipment	2,339,521	2,061,369	278,152
Accumulated depreciation	(21,072,774)	(19,377,460)	(1,695,314)
Total Capital Assets	$ 66,929,243	$ 67,248,545	$ (319,302)

Long-Term Liabilities

At year-end, the District had $61,174,165 in long-term liabilities, a decrease of 9.81% from last year – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2022	2021	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	$ 48,792,472	$ 42,801,597	$ 5,990,875
Compensated absences	61,265	79,514	(18,249)
Net OPEB liability	623,523	762,004	(138,481)
Net pension liability	12,129,370	24,583,244	(12,453,874)
Less: current portion of long-term liabilities	(432,465)	(395,159)	(37,306)
Total Long-term Liabilities	$ 61,174,165	$ 67,831,200	$ (6,657,035)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

In its September 2022 quarterly report, the UCLA Anderson Forecast stated the U.S. economy was likely to muddle along with below-trend growth and continued high inflation over the next twelve months. No recession is forecast at this time; however, the possibility still exists that persistent inflation and aggressive interest rate policy will lead to a hard landing of the economy, potentially triggering a recession. In California, defense spending and technology demands will likely keep the economy growing.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. The May 2022 Budget Revision includes total funding of $128.3 billion ($78.4 billion General Fund and $49.9 billion other funds) for all K-12 education programs, additionally, the revised spending plan further accelerates the implementation of the "California for All Kids" plan, which is a whole-child support framework designed to target inequities in educational outcomes among students from different demographic backgrounds and empower parents and families with more options and services. The Proposition 98 Guarantee continues to be in Test 1 for 2021-22 and 2022-23. To accommodate enrollment increases related to the expansion of transitional kindergarten, the Governor's Budget proposed re-benching the Test 1 percentage to increase the percentage of General Fund revenues due to the Guarantee, from 38.03 percent to approximately 38.4 percent. The May Revision updates the increased Test 1 percentage from approximately 38.4 percent to approximately 38.3 percent. At May Revision, the 2022-23 cost-of-living adjustment (COLA) is updated to 6.56 percent, the largest COLA in the history of LCFF.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2022. The amount of the liability is material to the financial position of the District. The CalSTRS projected employer contribution rate for 2022-23 is 19.10 percent. The CalPERS projected employer contribution rate for 2022-23 is 25.37 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2022-23 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Business Services, at Jefferson School District, 1219 Whispering Wind Road, Tracy, California, 95377.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
ASSETS		
Cash and investments	$	62,127,695
Accounts receivable		3,523,902
Capital assets, not depreciated		18,498,978
Capital assets, net of accumulated depreciation		48,430,265
Total Assets		132,580,840
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		4,155,225
Deferred outflows related to OPEB		105,406
Deferred amount on refunding		3,567,133
Total Deferred Outflows of Resources		7,827,764
LIABILITIES		
Accrued liabilities		3,497,272
Unearned revenue		1,297,556
Long-term liabilities, current portion		432,465
Long-term liabilities, non-current portion		61,174,165
Total Liabilities		66,401,458
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		10,197,372
Total Deferred Inflows of Resources		10,197,372
NET POSITION		
Net investment in capital assets		27,471,074
Restricted:		
Capital projects		44,668,278
Debt service		767,603
Educational programs		3,096,623
Food service		1,058,355
Pupil transportation		242,000
Unrestricted		(13,494,159)
Total Net Position	$	63,809,774

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
Function/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**
GOVERNMENTAL ACTIVITIES				
Instruction	$ 15,225,410	$ 911,288	$ 2,242,616	$ (12,071,506)
Instruction-related services				
Instructional supervision and administration	240,005	-	75,908	(164,097)
Instructional library, media, and technology	130,030	9,315	6,170	(114,545)
School site administration	1,567,750	44,983	1,915	(1,520,852)
Pupil services				
Home-to-school transportation	527,682	943,786	28,202	444,306
Food services	890,302	-	1,548,064	657,762
All other pupil services	887,113	237,092	321,289	(328,732)
General administration				
Centralized data processing	129,589	-	-	(129,589)
All other general administration	1,519,220	20,335	122,487	(1,376,398)
Plant services	2,002,806	4,704,602	-	2,701,796
Ancillary services	631	-	-	(631)
Interest on long-term debt	994,374	-	-	(994,374)
Other outgo	1,016,728	3,795,894	299,764	3,078,930
Total Governmental Activities	$ 25,131,640	$ 10,667,295	$ 4,646,415	(9,817,930)
	General revenues			
	Taxes and subventions			
	Property taxes, levied for general purposes			6,441,956
	Property taxes, levied for debt service			989,634
	Property taxes, levied for other specific purposes			21,412
	Federal and state aid not restricted for specific purposes			14,536,131
	Interest and investment earnings			(1,332,039)
	Miscellaneous			262,476
	Subtotal, General Revenue			20,919,570
	CHANGE IN NET POSITION			11,101,640
	Net Position - Beginning			52,708,134
	Net Position - Ending			$ 63,809,774

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 12,543,745	$ 42,077,823	$ 7,453,647	$ 62,075,215
Accounts receivable	3,523,902	-	-	3,523,902
Due from other funds	-	-	25,000	25,000
Total Assets	$ 16,067,647	$ 42,077,823	$ 7,478,647	$ 65,624,117
LIABILITIES				
Accrued liabilities	$ 3,208,756	$ 38,218	$ 1,200	$ 3,248,174
Due to other funds	25,000	-	-	25,000
Unearned revenue	1,297,556	-	-	1,297,556
Total Liabilities	4,531,312	38,218	1,200	4,570,730
FUND BALANCES				
Nonspendable	7,740	-	-	7,740
Restricted	3,096,623	42,039,605	7,065,561	52,201,789
Committed	4,000,000	-	411,886	4,411,886
Assigned	883,852	-	-	883,852
Unassigned	3,548,120	-	-	3,548,120
Total Fund Balances	11,536,335	42,039,605	7,477,447	61,053,387
Total Liabilities and Fund Balances	$ 16,067,647	$ 42,077,823	$ 7,478,647	$ 65,624,117

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

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	$ 88,002,017	
Accumulated depreciation	(21,072,774)	66,929,243

Deferred amount on refunding:
In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial — 3,567,133

Unmatured interest on long-term debt:
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: — (249,098)

Long-term liabilities:
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	$ 48,792,472	
Compensated absences	61,265	
Net OPEB liability	623,523	
Net pension liability	12,129,370	(61,606,630)

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

Deferred outflows of resources related to pensions	$ 4,155,225	
Deferred inflows of resources related to pensions	(10,197,372)	(6,042,147)

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

Deferred outflows of resources related to OPEB		$ 105,406

Internal service funds:
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is: — 52,480

Total Net Position - Governmental Activities	$ 63,809,774

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	$ 21,049,097	$ -	$ 95,000	$ 21,144,097
Federal sources	737,574	-	1,577,566	2,315,140
Other state sources	3,080,606	-	142,854	3,223,460
Other local sources	747,578	9,849,348	833,244	11,430,170
Total Revenues	25,614,855	9,849,348	2,648,664	38,112,867
EXPENDITURES				
Current				
Instruction	17,117,352	-	-	17,117,352
Instruction-related services				
Instructional supervision and administration	286,686	-	-	286,686
Instructional library, media, and technology	165,579	-	-	165,579
School site administration	1,920,266	-	-	1,920,266
Pupil services				
Home-to-school transportation	351,493	-	196,466	547,959
Food services	-	-	938,599	938,599
All other pupil services	996,493	-	-	996,493
General administration				
Centralized data processing	129,589	-	-	129,589
All other general administration	1,689,396	-	21,762	1,711,158
Plant services	2,271,206	-	-	2,271,206
Facilities acquisition and construction	-	978,297	7,550	985,847
Ancillary services	853	-	-	853
Transfers to other agencies	886,265	-	-	886,265
Debt service				
Principal	-	-	340,000	340,000
Interest and other	-	-	879,122	879,122
Total Expenditures	25,815,178	978,297	2,383,499	29,176,974
Excess (Deficiency) of Revenues Over Expenditures	(200,323)	8,871,051	265,165	8,935,893
Other Financing Sources (Uses)				
Transfers in	-	-	190,000	190,000
Other sources	-	-	37,496,129	37,496,129
Transfers out	(190,000)	-	-	(190,000)
Other uses	-	-	(34,905,033)	(34,905,033)
Net Financing Sources (Uses)	(190,000)	-	2,781,096	2,591,096
NET CHANGE IN FUND BALANCE	(390,323)	8,871,051	3,046,261	11,526,989
Fund Balance - Beginning	11,926,658	33,168,554	4,431,186	49,526,398
Fund Balance - Ending	$ 11,536,335	$ 42,039,605	$ 7,477,447	$ 61,053,387

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Governmental Funds		$ 11,526,989

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

Capital outlay:

In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:

Expenditures for capital outlay:	$ 1,376,012	
Depreciation expense:	(1,695,314)	(319,302)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 35,245,033

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were: (37,496,129)

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was: (123,004)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: (73,069)

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. (67,107)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: 18,249

(Continued on next page)

Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer OPEB 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:		137,357
Pensions:		
In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:		2,236,153
Amortization of debt issuance premium or discount:		
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:		17,465
Internal Service Funds:		
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:		(995)
Change in Net Position of Governmental Activities	$	11,101,640

JEFFERSON ELEMENTARY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities Internal Service Fund
ASSETS	
Current assets	
Cash and investments	$ 52,480
Total Assets	52,480
NET POSITION	
Restricted	52,480
Total Net Position	$ 52,480

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Fund
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	$ (995)
Total non-operating revenues/(expenses)	(995)
CHANGE IN NET POSITION	(995)
Net Position - Beginning	53,475
Net Position - Ending	$ 52,480

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Fund
Cash flows from investing activities	
Interest received	$ (995)
Net cash provided by (used for) investing activities	(995)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(995)
CASH AND CASH EQUIVALENTS	
Beginning of year	53,475
End of year	$ 52,480
Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	$ -
Net cash provided by (used for) operating activities	$ -

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

		Other Employee Benefit Trust Fund
ASSETS		
Cash and investments	$	93,083
Total Assets		93,083
NET POSITION		
Restricted		93,083
Total Net Position	$	93,083

The accompanying notes are an integral part of these financial statements.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Other Employee Benefit Trust Fund
ADDITIONS	
Contributions	$ 100,000
Investment earnings	(1,640)
Total Additions	98,360
DEDUCTIONS	
Other trust activities	81,116
Total Deductions	81,116
CHANGE IN NET POSITION	17,244
Net Position - Beginning	75,839
Net Position - Ending	$ 93,083

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Jefferson School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual.* The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. 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.

B. Component Units

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 unit discussed below is reported in the District's financial statements because of the significance of its relationship with the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the benefit of the District.

The Community Facilities District No. 1 (CFD) was formed under the provisions of the Mello-Roos Community Facilities Act of 1982, was amended by Chapter 2.5, Part I, Division 2, Title 5 of the Government Code of the State of California established March 30, 1989. For financial presentation, the CFD's financial activity has been blended or combined with the financial data for the District. Individually-prepared financial statements are not prepared for the CFD.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). 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 revenue, and other non-exchange transactions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Government-Wide Statements. (continued)
The statement of activities presents a comparison between direct expenses and program revenue 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. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its proprietary and fiduciary funds. 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 non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District that cannot be used to support the District's own programs.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections* 17620–17626). The authority for these levies may be county/city ordinances (*Government Code Sections* 65970–65981) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section* 66006).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections* 38090–38093). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections* 38091 and 38100).

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections* 17582–17587). In addition, whenever the state funds provided pursuant to *Education Code Sections* 17584 and 17585 (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections* 17582 and 17583).

Pupil Transportation Equipment Fund: This fund is used to account separately for state and local revenues specifically for the acquisition, rehabilitation, or replacement of equipment used to transport students (*Education Code Section* 41852[b]).

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

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section* 15146) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section* 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section* 41003).

County School Facilities Fund: This fund is established pursuant to *Education Code Section* 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section* 17070 et seq.).

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).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

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

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections* 15125–15262). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller

Proprietary Funds

Internal Service Funds: Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide, Proprietary, and Fiduciary Financial Statements
The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self-insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Governmental Funds
Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school 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 school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

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 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.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)
Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings and Improvements	5-50 years
Furniture and Equipment	2-15 years
Vehicles	2-15 years

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

Compensated Absences
Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

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

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in net OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts
In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources
In addition to assets, the District 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 District 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 so will not be recognized as an inflow of resources (revenue) until that time.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) 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, 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance
Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

G. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. 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 purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has fully implemented this Statement as of June 30, 2022.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is effective for periods beginning after June 15, 2022. The District has not yet determined the impact on the financial statements.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This standard's primary objectives are to increase consistency and comparability related to reporting fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Funds	Internal Service Fund	Governmental Activities	Fiduciary Funds
Investment in county treasury	$ 62,866,517	$ 53,651	$ 62,920,168	$ 83,608
Fair market value adjustment	(1,371,579)	(1,171)	(1,372,750)	(1,824)
Cash on hand and in banks	572,537	-	572,537	11,299
Cash in revolving fund	7,740	-	7,740	-
Total	$ 62,075,215	$ 52,480	$ 62,127,695	$ 93,083

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The San Joaquin County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations (continued)

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately $61,629,202. The average weighted maturity for this pool is 328 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2022, the pooled investments in the County Treasury were not rated.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. 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, the District's bank balance was not exposed to custodial credit risk.

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy 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 (unadjusted) in active markets for identical assets.

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, either directly or indirectly.

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 data if reasonable 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 San Joaquin 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.

The District's fair value measurements at June 30, 2022 were as follows:

	Uncategorized
Investment in county treasury	$ 61,629,202
Total	$ 61,629,202

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund
Federal Government	
Categorical aid	$ 393,430
State Government	
Apportionment	1,639,587
Categorical aid	1,358,363
Lottery	132,522
Total	$ 3,523,902

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	$ 13,735,263	$ -	$ -	$ 13,735,263
Construction in progress	3,665,855	1,097,860	-	4,763,715
Total capital assets not being depreciated	17,401,118	1,097,860	-	18,498,978
Capital assets being depreciated				
Land improvements	2,221,322	-	-	2,221,322
Buildings & improvements	64,942,196	-	-	64,942,196
Furniture & equipment	2,061,369	278,152	-	2,339,521
Total capital assets being depreciated	69,224,887	278,152	-	69,503,039
Less accumulated depreciation				
Land improvements	688,007	90,633	-	778,640
Buildings & improvements	17,526,682	1,471,051	-	18,997,733
Furniture & equipment	1,162,771	133,630	-	1,296,401
Total accumulated depreciation	19,377,460	1,695,314	-	21,072,774
Governmental Activities Capital Assets, net	$ 67,248,545	$ (319,302)	$ -	$ 66,929,243

Depreciation expense in the amount of $1,695,314 was charged as a direct expense to the instruction function in the government-wide financial statements.

NOTE 5 – INTERFUND TRANSACTIONS

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

Individual interfund receivable and payable balances at June 30, 2022 consisted of $25,000 due from the General Fund to the Cafeteria Fund for expenses.

B. Operating Transfers

Interfund transfers for the year ended June 30, 2022, consisted of a transfer of $190,000 from the General Fund to the Pupil Transportation Fund to pay for the purchase of new buses.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2022 consisted of the following:

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	$ 556,232	$ -	$ 888	$ -	$ 557,120
Construction	-	38,218	-	-	38,218
Vendors payable	443,758	-	312	-	444,070
Unmatured interest	-	-	-	249,098	249,098
Other liabilities	2,208,766	-	-	-	2,208,766
Total	$ 3,208,756	$ 38,218	$ 1,200	$ 249,098	$ 3,497,272

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2022 consisted of the following:

	General Fund
Federal sources	$ 428,550
In-Person Instruction (IPI) Grant	737,857
State sources	131,149
Total	$ 1,297,556

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2022 consisted of the following:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Balance Due In One Year
Governmental Activities					
General obligation bonds	$ 31,959,380	$ 37,105,077	$ 24,425,827	$ 44,638,630	$ 336,515
Unamortized premium	132,917	391,052	17,465	506,504	17,465
Accreted interest	10,709,300	67,107	7,129,069	3,647,338	78,485
Total general obligation bonds	42,801,597	37,563,236	31,572,361	48,792,472	432,465
Compensated absences	79,514	-	18,249	61,265	-
Net OPEB liability	762,004	-	138,481	623,523	-
Net pension liability	24,583,244	-	12,453,874	12,129,370	-
Total	$ 68,226,359	$ 37,563,236	$ 44,182,965	$ 61,606,630	$ 432,465

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2022 amounted to $61,265. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. Other Postemployment Benefits

The District's beginning net OPEB liability was $762,004 and decreased by $138,481 during the year ended June 30, 2022. The ending net OPEB liability at June 30, 2022 was $623,523. See Note 10 for additional information regarding the net OPEB liability.

C. Net Pension Liability

The District's beginning net pension liability was $24,583,244 and decreased by $12,453,874 during the year ended June 30, 2022. The ending net pension liability at June 30, 2022 was $12,129,370. See Note 11 for additional information regarding the net pension liability.

D. General Obligation Bonds

In April 2011, Jefferson School District issued Series A of the Election of 2010 in the amounts of $5,830,000 in current interest bonds and $567,194 in capital appreciation bonds. Interest on the current interest bonds is payable on August 1 and February 1 of each year, commencing August 1, 2011. The capital appreciation bonds accrete interest compounded semi-annually on August 1 and February 1. The proceeds from the sale of the bonds will be used for the acquisition, construction and furnishing of equipment for district facilities.

In April 2013, Jefferson School District issued Series B of the Election 2010 in the amounts of $1,700,000 in current interest bonds, $14,603,679 in capital appreciation bonds and $6,695,791 in convertible capital appreciation bonds. Interest on the current interest bonds is payable on August 1 and February 1 of each year, commencing August 1, 2015. The capital appreciation bonds and convertible capital appreciation bonds accrete interest compounded semi-annually on August 1 and February 1. The proceeds from the sale of the bonds will be used for the acquisition, construction and furnishing of equipment for district facilities.

On August 19, 2014, Jefferson School District issued Series C of the Election 2010 in the amounts of $1,780,000 in current interest bonds and $2,034,069 in capital appreciation bonds. Interest on the current interest bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015. The capital appreciation bonds accrete interest compounded semiannually on February 1 and August 1 of each year. The proceeds from the sale of the bonds will be used for the acquisition and construction of school facilities projects.

On January 27, 2022, Jefferson School District issued Series D of the Election 2010 in the amount of $2,187,082 in capital appreciation bonds. Interest on the current interest bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2022. The capital appreciation bonds accrete interest compounded semiannually on February 1 and August 1 of each year. The proceeds from the sale of the bonds will be used for the acquisition and construction of school facilities projects.

NOTE 8 – LONG-TERM LIABILITIES (continued)

D. General Obligation Bonds (continued)

General Obligation Refunding Bonds

On January 27, 2022, the District issued $34,917,995 of 2022 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2052, with interest rates ranging from 0.92% to 4.25%. The refunding bonds were issued to advance refund portions of the District's outstanding Election of 2010 General Obligation Bonds Series A, Election of 2010 General Obligation Bonds Series B, and Election of 2010 General Obligation Bonds Series C. The original issuance consisted entirely of current and accreted interest bonds. 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 bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred outflow of resources on the statement of net position and are amortized to interest expense over the life of the liability. As of June 30, 2022, deferred amount on refunding of $3,567,133 remain to be amortized. The refunding decreased the District's total debt service payment. The transaction resulted in a net present value of savings of $8,794,213

The outstanding general obligation bonded debt of the District at June 30, 2022 is as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2021	Additions	Deductions	Bonds Outstanding June 30, 2022
Series A	4/27/2011	8/1/2032	2.00% - 5.50%	$ 6,397,194	$ 6,389,380	$ 67,107	$ 5,675,000	$ 781,487
Series B	4/21/2013	8/1/2043	0.84% - 5.50%	22,999,470	31,940,104	-	22,220,732	9,719,372
Series C	8/19/2014	8/1/2028	0.72% - 5.12%	3,814,069	4,339,196	-	3,659,164	680,032
Series D	1/27/2022	8/1/2036	0.00%	2,187,082	-	2,187,082	-	2,187,082
2022 Refunding Series A	1/27/2022	8/1/2040	3.00% - 4.00%	5,260,000	-	5,260,000	-	5,260,000
2002 Refunding Series B	1/27/2022	8/1/2052	0.92% - 4.25%	29,657,995	-	29,657,995	-	29,657,995
					$ 42,668,680	$ 37,172,184	$ 31,554,896	$ 48,285,968

The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 336,515	$ 597,836	$ 934,351
2024	479,984	791,775	1,271,759
2025	167,629	1,041,639	1,209,268
2026	320,102	1,068,443	1,388,545
2027	457,145	1,101,400	1,558,545
2028 - 2032	3,230,250	6,947,881	10,178,131
2033 - 2037	6,183,179	7,367,524	13,550,703
2038 - 2042	9,267,933	7,930,200	17,198,133
2043 - 2047	8,646,719	13,128,879	21,775,598
2048 - 2052	10,649,174	13,571,803	24,220,977
2053	4,900,000	86,608	4,986,608
Accretion	3,647,338	(3,647,338)	-
Total	$ 48,285,968	$ 49,986,650	$ 98,272,618

Debt service payments are made from property tax levy authorized by the voters.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2022:

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	$ 7,740	$ -	$ -	$ 7,740
Total non-spendable	7,740	-	-	7,740
Restricted				
Educational programs	3,227,772	-	-	3,227,772
Food service	-	-	1,058,355	1,058,355
Capital projects	-	42,039,605	4,748,505	46,788,110
Debt service	-	-	1,016,701	1,016,701
Pupil transportation	-	-	242,000	242,000
Total restricted	3,227,772	42,039,605	7,065,561	52,332,938
Committed				
Stabilization	4,000,000	-	-	4,000,000
Deferred maintenance	-	-	411,886	411,886
Total committed	4,000,000	-	411,886	4,411,886
Assigned				
Unrestricted instructional materials	732,825	-	-	732,825
MAA	151,027	-	-	151,027
Total assigned	883,852	-	-	883,852
Unassigned	3,548,120	-	-	3,548,120
Total Fund Balance	$ 11,667,484	$ 42,039,605	$ 7,477,447	$ 61,184,536

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Jefferson Elementary School District’s defined benefit OPEB plan, Jefferson Elementary School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. The Plan provides medical, dental and vision insurance benefits to eligible retirees and their spouses. The District participates in an irrevocable trust, administered by the San Joaquin County Treasurer-Tax Collector.

B. OPEB Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position can be obtained by contacting the District. The trust is set up for receiving employer contributions that will prefund health and other postemployment benefits costs for retirees and their beneficiaries.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

C. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

	Certificated	Management
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	To age 70; plus one month for each 3 days of accumulated sick leave beyond 50	To age 70; plus one month for each 3 days of accumulated sick leave beyond 50
Required Service	25 years	25 years
Minimum Age	58	58
Dependent Coverage	Yes	Yes
District Contribution %	100% to Cap	100% to Cap
District Cap	Currently $10,000	Currently $10,000

D. Contributions

For the measurement period, the District contributed $125,663 to the Plan, all of which was used for current premiums.

E. Plan Membership

Membership of the Plan consisted of the following:

	Number of participants
Inactive employees receiving benefits	9
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	-
Total number of participants**	9

*Information not provided
**As of the June 30, 2021 valuation date

F. Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2022, were as follows:

Total OPEB liability	$ 699,361
Plan fiduciary net position	(75,838)
District's net OPEB liability	$ 623,523
Plan fiduciary net position as a percentage of total OPEB liability	10.84%

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Investments

Investment Policy
The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Concentrations
The Plan fund are in the County Treasury administered by the San Joaquin County Treasurer-Tax Collector. The funds are 100% in a short term fixed income asset class.

Rate of Return
For the year ended, June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 2.16 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Actuarial Assumptions and Other Inputs

The net OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Economic assumptions:

Discount rate	2.16%
Salary increases	2.75%
Inflation	2.50%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:	
Certificated	2017 CalSTRS Mortality Table
Classified	2017 CalPERS Active Mortality for Miscellaneous Employees Table
Retirement rates:	
Certificated	CalSTRS Retirement Rates Table

The actuarial assumptions used in the June 30, 2021 valuation was based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The discount rate was based on historic 6-year real rates of return for each asset class along with the actuarial assumed long-term inflation assumption The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed five years.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

I. Changes in Net OPEB Liability

	June 30, 2022
Total OPEB Liability	
Service cost	$ 7,599
Interest on total OPEB liability	18,658
Difference between expected and actual experience	(38,829)
Changes of assumptions	(84)
Benefits payments	(132,294)
Net change in total OPEB liability	(144,950)
Total OPEB liability - beginning	844,311
Total OPEB liability - ending (a)	$ 699,361
Plan fiduciary net position	
Contributions - employer	$ 125,663
Net investment income	162
Benefit payments	(132,294)
Net change in plan fiduciary net position	(6,469)
Plan fiduciary net position - beginning	82,307
Plan fiduciary net position - ending (b)	$ 75,838
District's net OPEB liability - ending (a) - (b)	$ 623,523
Plan fiduciary net position as a percentage of the total OPEB liability	10.84%
Covered-employee payroll	$ 12,644,681
District's net OPEB liability as a percentage of covered-employee payroll	4.93%

J. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.16%)	Valuation Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	$ 650,665	$ 623,523	$ 598,358

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

K. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Jefferson Elementary School District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (3.00%)	Valuation Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability	$ 614,170	$ 623,523	$ 633,243

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

For the year ended June 30, 2022, the Jefferson Elementary School District recognized OPEB expense of $11,694. At June 30, 2022, the Jefferson Elementary School District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between projected and actual earnings on plan investments	$ 5,406
District contributions subsequent to the measurement date	100,000
Total	$ 105,406

The $100,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2023	$ 2,699
2024	1,624
2025	771
2026	312
Total	$ 5,406

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement 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). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	$ 8,207,031	$ 3,289,932	$ 8,526,713	$ 19,878
PERS Pension	3,922,339	865,293	1,670,659	312,344
Total	$ 12,129,370	$ 4,155,225	$ 10,197,372	$ 332,222

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided
The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

NOTE 11 – PENSION PLANS (continued)

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

Contributions
Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2022, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2022 16.92% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were $1,826,147 for the year ended June 30, 2022.

On-Behalf Payments
The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately $1,159,811 to CalSTRS.

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 the net pension liability	$	8,207,031
State's proportionate share of the net pension liability associated with the District		4,129,545
Total	$	12,336,576

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to 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. At June 30, 2021, the District's proportion was 0.018 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2020.

NOTE 11 – PENSION PLANS (continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
For the year ended June 30, 2022, the District recognized pension expense of $19,878. In addition, the District recognized pension expense and revenue of $(719,776) 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
Differences between projected and actual earnings on plan investments	$ -	$ 6,491,973
Differences between expected and actual experience	20,559	873,400
Changes in assumptions	1,162,850	-
Changes in proportion and differences between District contributions and proportionate share of contributions	280,376	1,161,340
District contributions subsequent to the measurement date	1,826,147	-
Total	$ 3,289,932	$ 8,526,713

The $1,826,147 reported as 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 year ended June 30, 2023. Other 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
2023	$ 661,772	$ 2,151,393
2024	662,313	1,856,891
2025	46,565	1,873,832
2026	46,565	2,114,775
2027	46,570	276,903
2028	-	252,919
Total	$ 1,463,785	$ 8,526,713

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

The long-term expected rate of return on pension plan investments 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 general investment consultant (Pension Consulting Alliance–PCA) as an input 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, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

NOTE 11 – 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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan'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.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 16,706,577	$ 8,207,031	$ 1,152,570

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2022 was 22.91% of annual payroll). Contributions to the plan from the District were $742,228 for the year ended June 30, 2022.

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 of $3,922,339 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to 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. At June 30, 2021, the District's proportion was 0.019 percent, which did not change from its proportion measured as of June 30, 2020.

NOTE 11 – 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)
For the year ended June 30, 2022, the District recognized pension expense of $312,344. 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
Differences between projected and actual earnings on plan investments	$ -	$ 1,505,277
Differences between expected and actual experience	117,092	9,247
Changes in proportion and differences between District contributions and proportionate share of contributions	5,973	156,135
District contributions subsequent to the measurement date	742,228	-
Total	$ 865,293	$ 1,670,659

The $742,228 reported as 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 year ended June 30, 2023. Other 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
2023	$ 89,156	$ 462,781
2024	29,928	424,205
2025	3,981	365,026
2026	-	418,647
Total	$ 123,065	$ 1,670,659

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

The long-term expected rate of return on pension plan investments 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. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.
**An expected inflation of 2.92% used for this period.

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 6,613,614	$ 3,922,339	$ 1,688,003

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2022.

C. Construction Commitments

As of June 30, 2022, the District had no commitments with respect to unfinished capital projects.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in four joint ventures under joint powers authorities (JPAs), the Self-Insured Schools of California (SISC), the San Joaquin County School Workers' Compensation Group, San Joaquin County Schools Property and Liability Group and Norcal ReLief. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2022, the deferred amount on refunding was $3,567,133.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2022, total deferred outflows related to pensions was $4,155,225 and total deferred inflows related to pensions was $10,197,372.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2022, total deferred outflows related to other postemployment benefits was $105,406.

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON ELEMENTARY SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 20,534,869	$ 20,447,353	$ 21,049,097	$ 601,744
Federal sources	723,200	4,056,335	751,294	(3,305,041)
Other state sources	1,532,518	3,825,732	3,211,755	(613,977)
Other local sources	608,269	1,145,972	1,011,290	(134,682)
Total Revenues	23,398,856	29,475,392	26,023,436	(3,451,956)
EXPENDITURES				
Certificated salaries	10,699,124	11,341,494	11,199,740	141,754
Classified salaries	2,680,158	3,214,983	2,087,167	1,127,816
Employee benefits	5,471,963	6,126,792	6,121,642	5,150
Books and supplies	1,365,089	6,707,427	1,758,335	4,949,092
Services and other operating expenditures	2,562,057	4,976,520	3,581,026	1,395,494
Capital outlay	617,280	630,844	202,765	428,079
Other outgo				
Excluding transfers of indirect costs	558,810	874,974	886,265	(11,291)
Transfers of indirect costs	(35,000)	(46,762)	(21,762)	(25,000)
Total Expenditures	23,919,481	33,826,272	25,815,178	8,011,094
Excess (Deficiency) of Revenues Over Expenditures	(520,625)	(4,350,880)	208,258	4,559,138
Other Financing Sources (Uses)				
Transfers out	-	(190,000)	(190,000)	-
Net Financing Sources (Uses)	-	(190,000)	(190,000)	-
NET CHANGE IN FUND BALANCE	(520,625)	(4,540,880)	18,258	4,559,138
Fund Balance - Beginning	8,320,159	11,926,658	11,926,658	-
Fund Balance - Ending	$ 7,799,534	$ 7,385,778	$ 11,944,916	$ 4,559,138

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- The schedule above does not reflect audit adjustments.
- The schedule above does not reflect the fair value adjustments made in relation to GASB Statement No. 31.

See accompanying note to required supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability					
Service cost	$ 7,599	$ 5,590	$ 2,595	$ 2,526	$ 2,458
Interest on total OPEB liability	18,658	28,733	25,347	27,703	31,008
Difference between expected and actual experience	(38,829)	2,022	171,012	-	-
Changes of assumptions	(84)	48,983	-	-	-
Benefits payments	(132,294)	(116,308)	(94,472)	(99,370)	(156,512)
Net change in total OPEB liability	(144,950)	(30,980)	104,482	(69,141)	(123,046)
Total OPEB liability - beginning	844,311	875,291	770,809	839,950	962,996
Total OPEB liability - ending (a)	$ 699,361	$ 844,311	$ 875,291	$ 770,809	$ 839,950
Plan fiduciary net position					
Contributions - employer	$ 125,663	$ 21,454	$ 44,686	$ 47,686	$ 171,908
Net investment income	162	2,181	2,636	3,203	1,939
Benefit payments	(132,294)	(116,308)	(94,472)	(99,370)	(156,512)
Net change in plan fiduciary net position	(6,469)	(92,673)	(47,150)	(48,481)	17,335
Plan fiduciary net position - beginning	82,307	174,980	222,130	270,611	253,276
Plan fiduciary net position - ending (b)	$ 75,838	$ 82,307	$ 174,980	$ 222,130	$ 270,611
District's net OPEB liability - ending (a) - (b)	$ 623,523	$ 762,004	$ 700,311	$ 548,679	$ 569,339
Plan fiduciary net position as a percentage of the total OPEB liability	10.84%	9.75%	19.99%	28.82%	32.22%
Covered-employee payroll	$ 12,644,681	$ 13,593,322	$ 13,265,524	$ 13,375,324	$ 13,254,742
District's net OPEB liability as a percentage of covered-employee payroll	4.93%	5.61%	5.28%	4.10%	4.30%

See accompanying note to required supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.018%	0.019%	0.019%	0.019%	0.019%	0.019%	0.020%	0.020%
District's proportionate share of the net pension liability	$ 8,207,031	$ 18,666,663	$ 17,234,670	$ 17,342,828	$ 17,785,897	$ 15,005,729	$ 13,273,922	$ 11,837,897
State's proportionate share of the net pension liability associated with the District	4,129,545	9,622,589	9,402,739	9,929,629	10,521,986	8,542,494	7,020,441	7,150,090
Total	$ 12,336,576	$ 28,289,252	$ 26,637,409	$ 27,272,457	$ 28,307,883	$ 23,548,223	$ 20,294,363	$ 18,987,987
District's covered payroll	$ 9,881,024	$ 10,747,915	$ 10,487,903	$ 10,115,118	$ 10,429,835	$ 9,252,124	$ 10,973,002	$ 9,097,770
District's proportionate share of the net pension liability as a percentage of its covered payroll	83.1%	173.7%	164.3%	171.5%	192.2%	162.2%	121.0%	130.1%
Plan fiduciary net position as a percentage of the total pension liability	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying note to required supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.019%	0.019%	0.021%	0.020%	0.021%	0.020%	0.022%	0.022%
District's proportionate share of the net pension liability	$ 3,922,339	$ 5,916,581	$ 5,976,192	$ 5,351,213	$ 4,907,900	$ 4,008,282	$ 3,165,934	$ 2,532,294
District's covered payroll	$ 3,276,953	$ 2,777,621	$ 2,887,421	$ 2,646,852	$ 2,707,950	$ 2,487,913	$ 2,350,997	$ 2,344,826
District's proportionate share of the net pension liability as a percentage of its covered payroll	119.7%	213.0%	207.0%	202.2%	197.3%	161.1%	134.7%	108.0%
Plan fiduciary net position as a percentage of the total pension liability	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying note to required supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 1,850,055	$ 1,627,617	$ 1,803,482	$ 1,676,466	$ 1,458,168	$ 1,306,101	$ 989,684	$ 810,993
Contributions in relation to the contractually required contribution*	(1,850,055)	(1,627,617)	(1,803,482)	(1,676,466)	(1,458,168)	(1,306,101)	(989,684)	(810,993)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,045,661	$ 9,881,024	$ 10,747,915	$ 10,487,903	$ 10,115,118	$ 10,429,835	$ 9,252,124	$ 10,973,002
Contributions as a percentage of covered payroll	16.47%	16.47%	16.78%	15.98%	14.42%	12.52%	10.70%	7.39%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 742,228	$ 579,102	$ 547,869	$ 513,001	$ 411,089	$ 374,325	$ 293,227	$ 274,762
Contributions in relation to the contractually required contribution*	(742,228)	(579,102)	(547,869)	(513,001)	(411,089)	(374,325)	(293,227)	(274,762)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,276,953	$ 2,763,657	$ 2,777,621	$ 2,887,421	$ 2,646,852	$ 2,707,950	$ 2,487,913	$ 2,350,997
Contributions as a percentage of covered payroll	22.65%	20.95%	19.72%	17.77%	15.53%	13.82%	11.79%	11.69%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Net OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the to net OPEB liability, and the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

Schedule of the District Contributions for OPEB

This 10-year schedule is not required to be presented as there was no actuarially determined contribution, nor any contribution requirement established by statute or contract.

Changes in Benefit Terms

There were no assumption changes since the prior measurement date.

Changes in Assumptions

The discount rate assumption changed from 2.20% to 2.16% since the prior measurement date. Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension systems.

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

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

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2022, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Other outgo			
Excluding transfers of indirect costs	$ 874,974	$ 886,265	$ 11,291

SUPPLEMENTARY INFORMATION

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 134,109
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	60,338
Title III, English Learner Student Program	84.365	14346	27,289
Title VIII, Impact Aid	84.041	10015	15,788
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	343,475
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	16,523
Subtotal Special Education Cluster			359,998
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	116,350
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	23,702
Subtotal Education Stabilization Fund Discretionary Grants			140,052
Total U. S. Department of Education			737,574
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
COVID-19 Emergency Acts Funding/Extending Summer Food Service Program and SSO:			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	80,828
School Breakfast Program - Needy	10.553	13526	409,666
National School Lunch Program	10.555	13391	1,002,940
USDA Commodities	10.555	*	84,132
Subtotal Child Nutrition Cluster			1,577,566
Total U. S. Department of Agriculture			1,577,566
Total Federal Expenditures			$ 2,315,140

***** - Pass-Through Entity Identifying Number not available or not applicable

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2022

	Second Period Report	Annual Report
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	930.70	939.49
Extended Year Special Education	0.87	0.87
Total TK/K through Third	931.57	940.36
Fourth through Sixth		
Regular ADA	773.97	775.95
Extended Year Special Education	0.43	0.43
Total Fourth through Sixth	774.40	776.38
Seventh through Eighth		
Regular ADA	505.00	503.36
Extended Year Special Education	0.22	0.22
Total Seventh through Eighth	505.22	503.58
TOTAL SCHOOL DISTRICT	2,211.19	2,220.32

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2022

Grade Level	Minutes Requirement	2021-22 Actual Minutes	Required/Actual Number of Days	Status
Kindergarten	36,000	57,540	180	Complied
Grade 1	50,400	50,520	180	Complied
Grade 2	50,400	50,520	180	Complied
Grade 3	50,400	50,520	180	Complied
Grade 4	54,000	59,070	180	Complied
Grade 5	54,000	56,460	180	Complied
Grade 6	54,000	56,460	180	Complied
Grade 7	54,000	56,460	180	Complied
Grade 8	54,000	56,460	180	Complied

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

	2023 (Budget)	2022	2021	2020
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	$ 32,680,079	$ 26,023,436	$ 25,050,723	$ 24,283,136
Expenditures And Other Financing Uses	29,003,237	26,005,178	24,235,981	23,638,144
Net change in Fund Balance	$ 3,676,842	$ 18,258	$ 814,742	$ 644,992
Ending Fund Balance	$ 15,621,758	$ 11,944,916	$ 11,926,658	$ 11,111,916
Available Reserves*	$ 6,330,855	$ 3,548,120	$ 6,036,918	$ 6,550,830
Available Reserves As A Percentage Of Outgo	21.83%	13.64%	24.91%	27.71%
Long-term Liabilities	$ 61,174,165	$ 61,606,630	$ 68,226,359	$ 66,025,872
Average Daily Attendance At P-2***	2,423	2,211	2,207	2,207

The General Fund ending fund balance has increased by $833,000 over the past two years. The fiscal year 2022-23 budget projects a further increase of $3,676,842. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in the past three years and anticipates incurring an operating surplus during the 2022-23 fiscal year. Total long-term obligations have decreased by $4,419,242 over the past two years.

Average daily attendance has increased by 5 ADA over the past two years. A further increase of 212 ADA is anticipated during the 2022-23 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**The schedule above does not reflect the fair value adjustments made in relation to GASB Statement No. 31.

***Due to the COVID-19 pandemic, Average Daily Attendance at P-2 was not reported in 2021. Funding was based on Average Daily Attendance at P-2 as reported in 2020.

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	Building Fund	Capital Facilities Fund
June 30, 2022, annual financial and budget report fund balance	$ 11,944,916	$ 1,081,270	$ 421,073	$ 247,398	$ 2,167,113	$ 42,967,665
Adjustments and reclassifications:						
Increase (decrease) in total fund balances:						
Increase in unearned revenue	(131,149)	-	-	-	-	-
Fair value adjustment to cash in county treasury	(277,432)	(22,915)	(9,187)	(5,398)	(47,281)	(928,060)
Net adjustments and reclassifications	(408,581)	(22,915)	(9,187)	(5,398)	(47,281)	(928,060)
June 30, 2022, audited financial statement fund balance	$ 11,536,335	$ 1,058,355	$ 411,886	$ 242,000	$ 2,119,832	$ 42,039,605

	County School Facilities Fund	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Internal Service Fund	Other Employee Benefit Trust Fund
June 30, 2022, annual financial and budget report fund balance	$ 2,624,666	$ 62,637	$ 1,039,377	$ 53,651	$ 94,907
Adjustments and reclassifications:					
Increase (decrease) in total fund balances:					
Fair value adjustment to cash in county treasury	(57,263)	(1,367)	(22,676)	(1,171)	(1,824)
Net adjustments and reclassifications	(57,263)	(1,367)	(22,676)	(1,171)	(1,824)
June 30, 2022, audited financial statement fund balance	$ 2,567,403	$ 61,270	$ 1,016,701	$ 52,480	$ 93,083

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2022

The District does not sponsor any charter schools.

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2022

	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	Building Fund	County School Facilities Fund	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Non-Major Governmental Funds
ASSETS								
Cash and investments	$ 1,034,555	$ 411,886	$ 242,000	$ 2,119,832	$ 2,567,403	$ 61,270	$ 1,016,701	$ 7,453,647
Due from other funds	25,000	-	-	-	-	-	-	25,000
Total Assets	$ 1,059,555	$ 411,886	$ 242,000	$ 2,119,832	$ 2,567,403	$ 61,270	$ 1,016,701	$ 7,478,647
LIABILITIES								
Accrued liabilities	$ 1,200	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,200
Total Liabilities	1,200	-	-	-	-	-	-	1,200
FUND BALANCES								
Restricted	1,058,355	-	242,000	2,119,832	2,567,403	61,270	1,016,701	7,065,561
Committed	-	411,886	-	-	-	-	-	411,886
Total Fund Balances	1,058,355	411,886	242,000	2,119,832	2,567,403	61,270	1,016,701	7,477,447
Total Liabilities and Fund Balance	$ 1,059,555	$ 411,886	$ 242,000	$ 2,119,832	$ 2,567,403	$ 61,270	$ 1,016,701	$ 7,478,647

See accompanying note to supplementary information.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	Building Fund	County School Facilities Fund	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Non-Major Governmental Funds
REVENUES								
LCFF sources	$ -	$ 95,000	$ -	$ -	$ -	$ -	$ -	$ 95,000
Federal sources	1,577,566	-	-	-	-	-	-	1,577,566
Other state sources	138,580	-	-	-	-	-	4,274	142,854
Other local sources	(22,146)	(8,167)	(4,890)	(46,276)	(48,618)	(1,163)	964,504	833,244
Total Revenues	1,694,000	86,833	(4,890)	(46,276)	(48,618)	(1,163)	968,778	2,648,664
EXPENDITURES								
Current								
Pupil services								
Home-to-school transportation	-	-	196,466	-	-	-	-	196,466
Food services	938,599	-	-	-	-	-	-	938,599
General administration								
All other general administration	21,762	-	-	-	-	-	-	21,762
Facilities acquisition and construction	-	-	-	1,050	6,500	-	-	7,550
Debt service								
Principal	-	-	-	-	-	-	340,000	340,000
Interest and other	-	-	-	24,924	-	-	854,198	879,122
Total Expenditures	960,361	-	196,466	25,974	6,500	-	1,194,198	2,383,499
Excess (Deficiency) of Revenues Over Expenditures	733,639	86,833	(201,356)	(72,250)	(55,118)	(1,163)	(225,420)	265,165
Other Financing Sources (Uses)								
Transfers in	-	-	190,000	-	-	-	-	190,000
Other sources	-	-	-	2,187,082	-	-	35,309,047	37,496,129
Other uses	-	-	-	-	-	-	(34,905,033)	(34,905,033)
Net Financing Sources (Uses)	-	-	190,000	2,187,082	-	-	404,014	2,781,096
NET CHANGE IN FUND BALANCE	733,639	86,833	(11,356)	2,114,832	(55,118)	(1,163)	178,594	3,046,261
Fund Balance - Beginning	324,716	325,053	253,356	5,000	2,622,521	62,433	838,107	4,431,186
Fund Balance - Ending	$ 1,058,355	$ 411,886	$ 242,000	$ 2,119,832	$ 2,567,403	$ 61,270	$ 1,016,701	$ 7,477,447

See accompanying note to supplementary information.

The Jefferson Elementary School District formed in 1866 is located in San Joaquin County. There were no changes in the boundaries of the District during the current year. The District operates three elementary schools and one middle school.

GOVERNING BOARD

Member	Office	Term Expires
Phil Raya	President	2022
Brian Jackman	Vice President	2022
Pete Carlson	Clerk	2024
Todd Wetherell	Member	2022
Debbie Wingo	Member	2024

DISTRICT ADMINISTRATORS

James Bridges, Ed.D
Superintendent

Dena Whittington, CFE
Interim Chief Business Official

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The District has not elected to use the 10 percent de minimis indirect cost rate.

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 amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of 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 Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the District audit.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

OTHER INDEPENDENT AUDITORS' REPORTS

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

Independent Auditors' Report

Governing Board
Jefferson Elementary School District
Tracy, 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 Jefferson Elementary School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Jefferson Elementary School District's basic financial statements, and have issued our report thereon dated December 12, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Christy White, Inc

San Diego, California
December 12, 2022

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

Independent Auditors' Report

Governing Board
Jefferson Elementary School District
Tracy, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jefferson Elementary School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jefferson Elementary School District's major federal programs for the year ended June 30, 2022. Jefferson Elementary School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jefferson Elementary 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.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit for Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jefferson Elementary School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jefferson Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Elementary School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

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

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

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

Christy White, Inc

San Diego, California
December 12, 2022

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Governing Board
Jefferson Elementary School District
Tracy, California

Report on State Compliance

Opinion on State Compliance

We have audited Jefferson Elementary School District's compliance with the types of compliance requirements described in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Jefferson Elementary School District's state programs for the fiscal year ended June 30, 2022, as identified below.

In our opinion, Jefferson Elementary 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 the applicable state programs for the year ended June 30, 2022.

Basis for Opinion on State Compliance

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 *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jefferson Elementary School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the report on compliance about Jefferson Elementary School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* and the K-12 Audit Guide, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jefferson Elementary School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jefferson Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Elementary School District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine Jefferson Elementary School District's compliance with the state laws and regulations related to the following items:

PROGRAM NAME	**PROCEDURES PERFORMED**
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable

Auditor's Responsibilities for the Audit of State Compliance (continued)

School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not Applicable
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	Not Applicable
In Person Instruction Grant	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term "Not Applicable" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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 Auditor's Responsibilities for the Audit of State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control Over Compliance (continued)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc

San Diego, California
December 12, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE 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(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No
Identification of major programs:	

AL Number(s)	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with *2021-22 Guide for Annual Audits of California K-12 Local Education Agencies* ?	No
Type of auditors' report issued on compliance for state programs:	Unmodified

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

There were no financial statement findings for the year ended June 30, 2022.

FIVE DIGIT CODE	**AB 3627 FINDING TYPE**
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2022.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
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 state award findings or questioned costs for the year ended June 30, 2022.

JEFFERSON ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

There were no findings or questioned costs for the year ended June 30, 2021.