



Annual Financial Report  
June 30, 2024

## Jefferson Elementary School District

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## Independent Auditor's Report

To the Governing Board  
Jefferson Elementary School District  
Daly City, California

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Elementary School District (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

### ***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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule – General Fund and Special Reserve Fund for Postemployment Benefits, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions for Pension, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated on December 13, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
December 13, 2024

This section of the Jefferson Elementary School District's 2023-2024 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024, with comparative information for the year ended June 30, 2023.

This management's discussion and analysis should be read in conjunction with the District's financial statements, including notes and supplementary information that immediately follow this section.

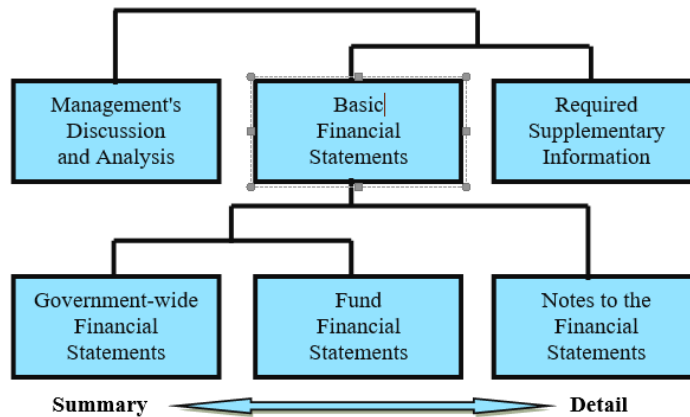
### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$67,741,264. Of this amount, (\$20,450,091) in deficit represents unrestricted net position. In common with school districts in California, the District reported net pension liabilities for its proportionate share of the unfunded California State Teachers' System (CalSTRS) and California Public Employees' Retirement system (CalPERS) pension liabilities. The District's share of the pension liabilities and related deferrals is \$39,995,950. In addition, the District recorded total Other Postemployment Benefits (OPEB) liability and related deferrals of \$18,356,849.
- The District's total net position increased by \$10,637,091 compared to an increase of \$28,294,401 in the prior year. Revenues increased but expenses increased at a pace higher than the revenue increase due to COVID funding dropping from last year to this year.
- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$89,540,925, a decrease of \$12,291,580 in comparison to the prior year. This decrease is due to construction project expenditures.
- The District's total outstanding long-term liabilities other than pension and OPEB increased by \$4,194,714 during the current fiscal year mainly due to issuance of a new bond.
- The District continues to maintain the required 3% reserve for economic uncertainty. The District reserves were above the State required minimum. The District believes that reserves are a vital part of financial stability, including cash flow and protection from a history of State and Federal funding cuts.



## Overview of Financial Statements

### Components of the Financial Section



This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements and Required Supplementary Information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements of the basic financial statements are *Government-wide Financial Statements* that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are *Fund Financial Statements* that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The *Fund Financial Statements* can be further broken down into two types:

- *Governmental Fund Statements* which tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary Fund Statements*, providing information about the financial relationship in which the District acts solely as trustee or agent for the benefit of others to whom the resources belong.

## **The Statement of Net Position and the Statement of Activities**

The *Statement of Net Position* and *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows, liabilities, and deferred inflows of the District using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's school buildings and other facilities.

In the government-wide financial statements, the District's activities are reported as governmental activities. Most of the District's services are included here such as regular and special education, transportation, and administration. Funding received from the State of California through the revenue limit, along with categorical and special education funding received from the federal and state government fund most of these activities.

## **Reporting the District's Most Significant Funds**

### **Fund Financial Statements**

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

- Some funds are required by state law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

### **Governmental Funds**

Most of the District's basic services are reported in Governmental Funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship (or differences) between them.

## Fiduciary Funds

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

## Financial Analysis of the District as A Whole

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 98,837,722	\$ 117,514,928
Capital assets	177,294,983	153,151,646
Total assets	<u>276,132,705</u>	<u>270,666,574</u>
Deferred outflows of resources	<u>30,102,653</u>	<u>28,031,792</u>
Liabilities		
Current liabilities	10,831,014	16,459,898
Long-term liabilities	210,392,671	199,367,712
Total liabilities	<u>221,223,685</u>	<u>215,827,610</u>
Deferred inflows of resources	<u>20,441,447</u>	<u>28,937,621</u>
Net Position		
Net investment in capital assets	39,353,617	28,931,153
Restricted	48,837,738	56,123,931
Unrestricted	<u>(23,621,129)</u>	<u>(31,121,949)</u>
Total net position	<u>\$ 64,570,226</u>	<u>\$ 53,933,135</u>

The District's net position was \$67,741,264 for the fiscal year ended June 30, 2024 up from \$53,933,135 in the prior year. Of this amount, \$39,353,617 is invested in capital assets and an additional \$48,837,738 is restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school board's ability to use those assets for day-to-day operations. The unrestricted net position shows a deficit amount of \$20,450,091 which reflects the recognition of \$58,352,799 of the District's Proportionate Share of Net Pension Liability and OPEB liability and related deferred inflows of resources and deferred outflows of resources. Our analysis above focuses on the net position and changes in net position of the District's governmental activities.

### Changes in Net Position

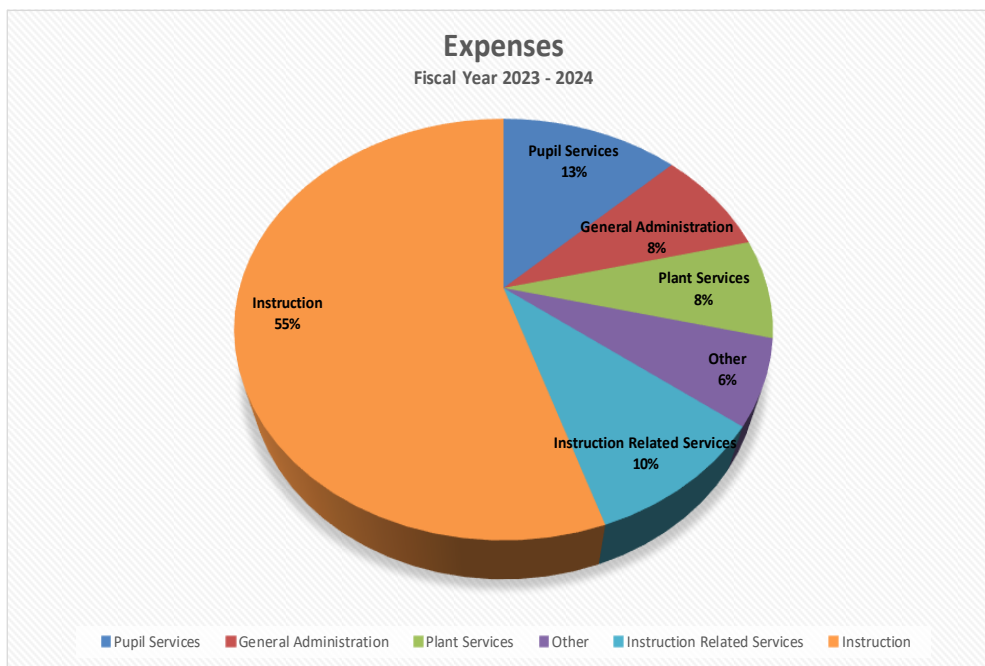
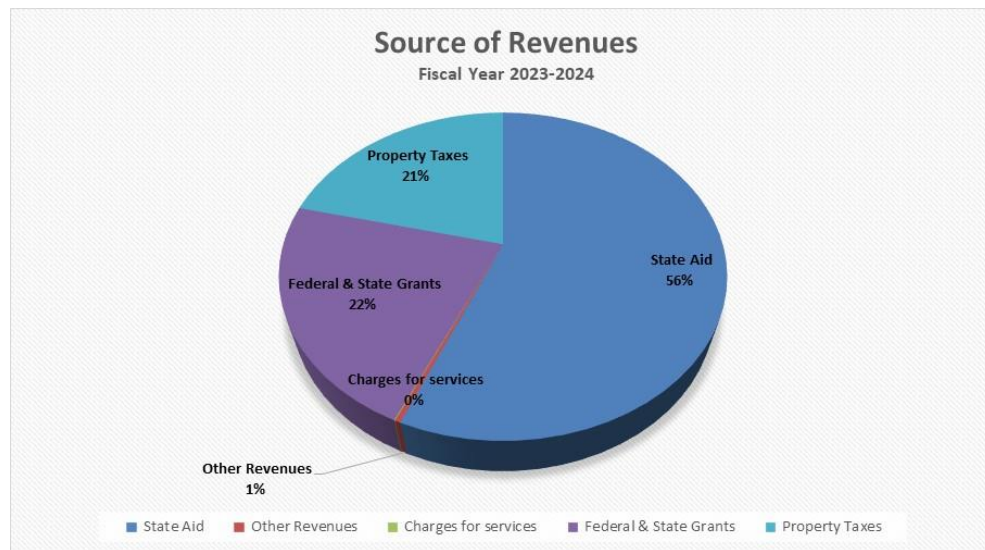
A summary of total District revenues, expenses and changes in net position is presented in the table below:

	Governmental Activities	
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 61,616	\$ 142,239
Operating grants and contributions	25,802,544	24,547,392
General revenues		
Federal and State aid not restricted	66,297,028	65,306,662
Property taxes	15,994,277	25,769,840
Other general revenues	11,118,307	3,442,470
Total revenues	<u>119,273,772</u>	<u>119,208,603</u>
Expenses		
Instruction-related	70,700,213	61,551,104
Pupil services	13,920,924	10,948,724
Administration	8,924,811	6,707,602
Plant services	8,114,242	6,765,710
All other services	6,976,491	4,941,062
Total expenses	<u>108,636,681</u>	<u>90,914,202</u>
Change in net position	<u>\$ 10,637,091</u>	<u>\$ 28,294,401</u>

### Governmental Activities

For fiscal year 2023-2024, total District revenues were \$116,102,734 a decrease from \$119,208,603 in the prior year. Total District expenses were \$102,294,605. The difference of \$13,808,129 is the increase in net position bringing the total net position as of June 30, 2024 to \$67,741,264. The main operating sources of revenue for the District are property taxes, State aid and Federal and State categorical grants. Federal and State aid in the current year remained the same \$65,306,662. The other general revenue showed a decrease of \$4,280,398.

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$102,294,605. The amount that our local taxpayers ultimately financed for these activities through property taxes and other general revenues was \$82,772,521. We received state, federal and local grant subsidies in the amount of \$25,864,160. The increase in expenses is related to a pension adjustment due lower than expected returns on investments with CalPERS. While this adjustment is necessary to comply with generally accepted accounting principles but such adjustment have no impact on our budget. Our pension liabilities increased by \$5,041,280.



### Financial Analysis of the District's Funds

As the District completed fiscal year 2023-2024, District governmental funds reported a combined fund balance of \$89,540,925 which is a \$12,291,580 decrease from the previous fiscal year.

### District's Fund Balances

Governmental Fund	June 30, 2023	Balances and Activity		
		Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General	\$ 39,417,351	\$ 97,217,059	\$ 94,241,688	\$ 42,392,722
Student Activity Fund	59,231	20,925	32,797	47,359
Child Development	574,525	3,382,893	3,003,023	954,395
Cafeteria	1,580,744	4,489,270	3,866,908	2,203,106
Deferred Maintenance	310,390	17,815	-	328,205
Special Reserve Fund for Postemployment Benefits	17,873,429	1,025,771	-	18,899,200
Building	10,198,743	10,767,926	20,003,867	962,802
Capital Facilities	1,291,798	91,219	1,007,879	375,138
Special Reserve Fund for Capital Outlay Projects	20,899,315	1,103,699	8,485,703	13,517,311
Bond Interest and Redemption	9,626,979	10,586,572	10,352,864	9,860,687
<b>Total</b>	<b>\$ 101,832,505</b>	<b>\$ 128,703,149</b>	<b>\$ 140,994,729</b>	<b>\$ 89,540,925</b>

The primary reasons for the changes are:

- The General Fund is our principal operating fund. The fund balance shows a net increase of \$2,975,371.
- The fund balance in the Building Fund (Bond Fund) decreased by \$9,235,941. This was the result of expenditures by the District in connection with Measures J and U projects.
- The Special Reserve for Capital showed a decreased of \$7,382,004 relating to capital outlays that were funded by that fund.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget periodically. The significant budget adjustments fell into the following categories:

- Significant revenue revisions made to the 2023-2024 Budget were due to accounting for deferred federal revenues, additional Expanded Learning Opportunity, Arts, Music, Instructional Materials and the Prop 28 Arts Music funds and higher interest income.
- Budgeted expenditures increased by \$14 million due to salary and benefit increases, adding prior year carryover balances and increases in contracted services and capital outlay expenditures.

### Capital Assets and Long-Term Liabilities

At June 30, 2024, the District had \$177,294,983 (net of depreciation) in a broad range of capital assets, including land, buildings and furniture, and equipment. The District uses \$5,000 as its capitalization threshold.

	Governmental Activities	
	2024	2023
Land and construction in progress	\$ 59,117,848	\$ 35,514,769
Buildings and improvements	113,505,308	114,644,020
Equipment	4,671,827	2,992,856
Total	<u>\$ 177,294,983</u>	<u>\$ 153,151,645</u>

### Outstanding Long-Term Liabilities

	Governmental Activities	
	2024	2023
Long-Term Liabilities		
General obligation bonds	\$ 137,920,000	\$ 133,755,000
Unamortized premiums	4,707,408	4,619,476
Compensated absences	303,460	361,678
Total OPEB liability	17,212,433	15,984,163
Aggregate net pension liability	49,688,675	44,647,395
Total	<u>\$ 209,831,976</u>	<u>\$ 199,367,712</u>

Outstanding Long term liabilities increased by a net amount of \$10,464,264 during the 2023-2024 fiscal year. The increase is mainly due to an increase in the net pension liabilities in the current year.

### **Economic Factors and Next Year's Budget Rates**

At the time of preparation of the District's 2024-2025 budget, the State budget proposal included a COLA of 1.07 percent. Average daily attendance was kept at 2020-2021 P-2 "hold-harmless" levels and the estimated Unduplicated Pupil Count percentage for supplemental and concentration grants was adjusted slightly to 65.20%. The District has been experiencing declining enrollment however the "hold-harmless" ADA provision will keep JESD funded based on the current or prior year ADA or a three-year rolling average of ADA, whichever is greater. The FCMAT LCFF calculator was used for revenue projections and Minimum Proportionality Percentage (MPP) estimates.

### **Contacting the District Financial Management**

This financial report is designed to provide our parents, citizens, taxpayers, 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 any questions regarding this report or need additional financial information, please contact Michael Lauro, Chief Business Official, at Jefferson Elementary School District, 101 Lincoln Avenue, Daly City, CA 94015.



# Jefferson Elementary School District

## Statement of Net Position

June 30, 2024

	Governmental Activities
<b>Assets</b>	
Deposits and investments	\$ 91,102,665
Receivables	7,713,450
Stores inventories	21,607
Capital assets not depreciated or amortized	59,117,848
Capital assets, net of accumulated depreciation and amortization	118,177,135
<b>Total assets</b>	<b>276,132,705</b>
<b>Deferred Outflows of Resources</b>	
Refunding related	3,723,240
OPEB related	4,430,447
Pension Related	21,948,966
<b>Total deferred outflows of resources</b>	<b>30,102,653</b>
<b>Liabilities</b>	
Accounts payable	8,567,218
Interest payable	1,534,217
Unearned revenue	729,579
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	6,364,681
Long-term liabilities other than OPEB and pensions due in more than one year	136,566,187
Total other postemployment benefits liability (OPEB) due within one year	560,695
Total other postemployment benefits liability (OPEB) due in more than one year	17,212,433
Aggregate net pension liabilities due in more than one year	49,688,675
<b>Total liabilities</b>	<b>221,223,685</b>
<b>Deferred Inflows of Resources</b>	
OPEB related	5,014,168
Pension Related	15,427,279
<b>Total deferred inflows of resources</b>	<b>20,441,447</b>
<b>Net Position</b>	
Net investment in capital assets	39,353,617
Restricted for	
Debt service	8,326,470
Capital projects	14,220,654
Educational programs	24,087,508
Food service	2,203,106
Unrestricted (deficit)	(23,621,129)
<b>Total net position</b>	<b>\$ 64,570,226</b>

# Jefferson Elementary School District

## Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 60,189,648	\$ 2,746	\$ 13,679,982	\$ (46,506,920)
Instruction-related activities				
Supervision of instruction	2,696,247	92	949,945	(1,746,210)
Instructional library, media, and technology	961,165	758	60,775	(899,632)
School site administration	6,853,153	219	1,408,428	(5,444,506)
Pupil services				
Home-to-school transportation	2,525,883	-	103,688	(2,422,195)
Food services	3,879,652	33,772	3,988,412	142,532
All other pupil services	7,515,389	581	2,096,798	(5,418,010)
Administration				
Data processing	3,755,204	4	86,770	(3,668,430)
All other administration	5,169,607	1,184	527,542	(4,640,881)
Plant services	8,114,242	2,119	492,587	(7,619,536)
Ancillary services	1,398,922	682	89,889	(1,308,351)
Community services	106	-	7	(99)
Interest on long-term liabilities	4,476,838	-	-	(4,476,838)
Other outgo	1,100,625	19,459	2,317,721	1,236,555
Total governmental activities	<u>\$ 108,636,681</u>	<u>\$ 61,616</u>	<u>\$ 25,802,544</u>	<u>(82,772,521)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				4,919,871
Property taxes, levied for debt service				9,838,681
Taxes levied for other specific purposes				1,235,725
Federal and State aid not restricted to specific purposes				66,297,028
Interest and investment earnings				5,249,120
Miscellaneous				<u>5,869,187</u>
Subtotal, general revenues and subventions				<u>93,409,612</u>
Change in Net Position				10,637,091
Net Position - Beginning				<u>53,933,135</u>
Net Position - Ending				<u>\$ 64,570,226</u>

# Jefferson Elementary School District

## Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	Special Reserve Postemployment Benefits	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Deposits and investments	\$ 41,495,010	\$ 18,714,301	\$ 3,933,847	\$ 13,899,309	\$ 13,060,198	\$ 91,102,665
Receivables	6,138,203	184,899	54,415	139,374	1,196,559	7,713,450
Due from other funds	1,778,922	-	963	1,219,686	247,695	3,247,266
Stores inventories	-	-	-	-	21,607	21,607
<b>Total assets</b>	<b>\$ 49,412,135</b>	<b>\$ 18,899,200</b>	<b>\$ 3,989,225</b>	<b>\$ 15,258,369</b>	<b>\$ 14,526,059</b>	<b>\$ 102,084,988</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 6,604,224	\$ -	\$ 1,571,458	\$ 111,790	\$ 279,746	\$ 8,567,218
Due to other funds	10,367	-	1,454,965	1,629,268	152,666	3,247,266
Unearned revenue	404,822	-	-	-	324,757	729,579
<b>Total liabilities</b>	<b>7,019,413</b>	<b>-</b>	<b>3,026,423</b>	<b>1,741,058</b>	<b>757,169</b>	<b>12,544,063</b>
<b>Fund Balances</b>						
Nonspendable	30,000	-	-	-	21,607	51,607
Restricted	23,085,754	-	962,802	13,517,311	13,747,283	51,313,150
Committed	13,490,019	18,899,200	-	-	-	32,389,219
Unassigned	5,786,949	-	-	-	-	5,786,949
<b>Total fund balances</b>	<b>42,392,722</b>	<b>18,899,200</b>	<b>962,802</b>	<b>13,517,311</b>	<b>13,768,890</b>	<b>89,540,925</b>
<b>Total liabilities and fund balances</b>	<b>\$ 49,412,135</b>	<b>\$ 18,899,200</b>	<b>\$ 3,989,225</b>	<b>\$ 15,258,369</b>	<b>\$ 14,526,059</b>	<b>\$ 102,084,988</b>

Jefferson Elementary School District  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2024

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Total Fund Balance - Governmental Funds		\$ 89,540,925
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 254,119,431	
Accumulated depreciation and amortization is	<u>(76,824,448)</u>	
Net capital assets		177,294,983
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		
		(1,534,217)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	3,723,240	
Other postemployment benefits (OPEB)	4,430,447	
Net pension liability	<u>21,948,966</u>	
Total deferred outflows of resources		30,102,653
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB)	(5,014,168)	
Net pension liability	<u>(15,427,279)</u>	
Total deferred inflows of resources		(20,441,447)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		
		(49,688,675)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		
		(17,773,128)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	(142,627,408)	
Compensated absences (vacations)	<u>(303,460)</u>	
Total long-term liabilities		<u>(142,930,868)</u>
Total net position - governmental activities		<u>\$ 64,570,226</u>

Jefferson Elementary School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2024

	General Fund	Special Reserve Postemployment Benefits	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local Control Funding Formula (LCFF)	\$ 69,173,332	\$ -	\$ -	\$ -	\$ -	\$ 69,173,332
Federal sources	6,483,669	-	-	-	2,585,830	9,069,499
Other State sources	14,759,505	-	-	-	4,172,164	18,931,669
Other local sources	5,171,285	1,025,771	767,926	1,103,699	11,333,829	19,402,510
Total revenues	95,587,791	1,025,771	767,926	1,103,699	18,091,823	116,577,010
<b>Expenditures</b>						
Current						
Instruction	54,762,365	-	-	-	2,127,918	56,890,283
Instruction-related activities						
Supervision of instruction	2,404,291	-	-	-	161,966	2,566,257
Instructional library, media, and technology	904,419	-	-	-	-	904,419
School site administration	6,368,498	-	-	-	189,413	6,557,911
Pupil services						
Home-to-school transportation	2,342,638	-	-	-	-	2,342,638
Food services	125,020	-	-	-	3,571,875	3,696,895
All other pupil services	7,141,708	-	-	-	1	7,141,709
Administration						
Data processing	3,547,987	-	-	-	-	3,547,987
All other administration	4,705,988	-	-	-	282,130	4,988,118
Plant services	7,508,528	-	8,192	-	378,071	7,894,791
Ancillary services	1,287,711	-	-	-	44,875	1,332,586
Community services	100	-	-	-	-	100
Other outgo	1,100,625	-	-	-	-	1,100,625
Capital outlay	2,041,810	-	19,773,625	6,856,435	1,166,436	29,838,306
Debt service						
Principal	-	-	-	-	5,835,000	5,835,000
Interest and other	-	-	222,050	-	4,517,864	4,739,914
Total expenditures	94,241,688	-	20,003,867	6,856,435	18,275,549	139,377,539
Excess (Deficiency) of Revenues Over Expenditures	1,346,103	1,025,771	(19,235,941)	(5,752,736)	(183,726)	(22,800,529)
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,629,268	-	-	-	-	1,629,268
Sale of general obligation bonds and premiums	-	-	10,000,000	-	508,949	10,508,949
Transfers out	-	-	-	(1,629,268)	-	(1,629,268)
Net Financing Sources (Uses)	1,629,268	-	10,000,000	(1,629,268)	508,949	10,508,949
Net Change in Fund Balances	2,975,371	1,025,771	(9,235,941)	(7,382,004)	325,223	(12,291,580)
Fund Balance - Beginning	39,417,351	17,873,429	10,198,743	20,899,315	13,443,667	101,832,505
Fund Balance - Ending	\$ 42,392,722	\$ 18,899,200	\$ 962,802	\$ 13,517,311	\$ 13,768,890	\$ 89,540,925

Jefferson Elementary School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
Year Ended June 30, 2024

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Total Net Change in Fund Balances - Governmental Funds \$ (12,291,580)

Amounts Reported for Governmental Activities in the Statement of  
Activities are Different Because

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities.

This is the amount by which capital outlay exceeds depreciation in the period.

Depreciation expense	\$ (5,694,967)	
Capital outlay	<u>29,838,305</u>	
Net expense adjustment		24,143,338

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.

58,218

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.

4,924,719

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.

(1,786,730)

Proceeds received from sale of General Obligation Bonds including premiums is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

(10,508,949)

Jefferson Elementary School District  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
Year Ended June 30, 2024

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Governmental funds report the effect of premiums, discounts, and the deferred charge on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Deferred charge on refunding amortized	(232,000)
Premium amortization	421,017

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	5,835,000
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Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.

74,058
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Change in net position of governmental activities

<u>\$ 10,637,091</u>
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Jefferson Elementary School District  
Statement of Net Position – Fiduciary Funds  
June 30, 2024

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	Private-Purpose Trust Fund
Assets	
Deposits and investments	\$ 6,626
Receivables	65
	<hr/>
Total assets	6,691
	<hr/>
Net Position	
Held for individuals and organizations	6,691
	<hr/>
Total net position	\$ 6,691
	<hr/> <hr/>



Jefferson Elementary School District  
Statement of Changes in Fund Net Position – Fiduciary Funds  
Year Ended June 30, 2024

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	Private-Purpose Trust Fund
Additions	
Private donations	\$ 123
Interest	<u>237</u>
Total additions	<u>360</u>
Change in Net Position	360
Net Position - Beginning	<u>6,331</u>
Net Position - Ending	<u><u>\$ 6,691</u></u>

**Note 1 - Summary of Significant Accounting Policies****Financial Reporting Entity**

Jefferson Elementary School District (District) was established in 1866 under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and serves grades K-8 students. The District has eleven elementary schools, three intermediate schools and one state preschool.

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

**Basis of Presentation****Government-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

Fiduciary funds are reported using the economic resources measurement focus.

### **Fund Accounting**

District accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity (or retained earnings), revenues and expenditures or expenses as appropriate. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations, or other appropriate requirements. The fund types and funds utilized by the District are described below:

### **Major Governmental Funds**

- **The General Fund** serves as the general operating fund. It is used to account for all financial resources of the District except those required to be accounted for in another fund. The State defined Special Revenue Fund for Other Than Capital Outlay Projects, Fund 17, does not meet the definition of special revenue fund under generally accepted accounting principles. Although this fund is authorized by statute and will remain open for internal reporting purposes, this fund has been combined with the General Fund for presentation in the financial statements.
- **Special Reserve Fund for Postemployment Benefits** The Special Reserve Fund for Postemployment Benefits may be used pursuant to California *Education Code* Section 42840 to account for amounts the District has committed for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the post-employment benefit plan.
- **The Building Fund** is used to account for major governmental capital facilities and buildings from the sale of bond proceeds.
- **The Special Reserve Fund for Capital Outlay Projects** exists primarily to provide for the accumulation of funds for capital outlay purposes (*Education Code* Section 42840).

**Non-Major Governmental Funds**

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is 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** The Deferred Maintenance Fund is used to account separately for the District's contributions for deferred maintenance purposes. The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

**Capital Projects Funds** The Capital Projects funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains the capital project funds described below:

- **Capital Facilities Fund** The Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).
- **County School Facilities Fund** The County School Facilities 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), the 2004 State School Facilities Fund (Proposition 55), the 2006 State Schools Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

**Debt Service Funds** The Debt Service funds are used to account for the payment of the District's debt. The District maintains the following funds described below:

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

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. The District's trust fund is the Foundation Trust Fund. This Fund is used to account for money received from gifts and bequests. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity.

### **Basis of Accounting**

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

### **Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

**Unearned Revenue**

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

**Cash and Cash Equivalents**

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

**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.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

**Interfund Balances**

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

**Prepaid Expenditures (Expenses)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Stores Inventory**

Inventories consist of expendable food and supplies held for consumption and unused donated commodities. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental-type funds when consumed rather than when purchased.

**Capital Assets and Depreciation**

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Life in Years
Land	Not applicable
Site Improvements	20
School buildings and building improvements	20-50
Equipment	5-15
Vehicles	8

**Interfund Activity**

Transfers between governmental and proprietary activities in the government-wide financial statements are reported in the same manner as general revenues.

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.

**Compensated Absences**

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees, therefore, are never paid sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. These liabilities are paid out of the general fund.

**Accrued Liabilities, Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities 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 liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

**Debt Issuance Costs, Premiums and Discounts**

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond prepaid insurance costs are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges for pension related items, for OPEB related items and for leases.



**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about additions to/deductions from the Plans have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

**Fund Balances - Governmental Funds**

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

- **Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed** – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.
- **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes. The District reported no such category in the current year.
- **Unassigned** – all other spendable amounts.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and other funds are available, then it applies amounts to the committed fund balance followed by assigned and then unassigned amounts.

**Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts equal to no less than 5 percent of General Fund expenditures and other financing uses.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position reported as net of investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted are available, then it applies amounts to the unrestricted net position.

**Local Control Funding Formula (LCFF)/Property Tax**

The District's LCFF is received from a combination of local property taxes, state apportionments, and other local sources.

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

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately October 1 of each year.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. Actual results may vary for the amounts reported in the financial statements are disclosures.

### Spending Order Policy

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

## Note 2 - Deposits and Investments

### Summary of Deposits and Investments

Deposits and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 91,102,665
Fiduciary funds	<u>6,626</u>
Total deposits and investments	<u><u>\$ 91,109,291</u></u>

Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	\$ 107,127
Cash in revolving	30,000
Investments	<u>90,972,164</u>
Total deposits and investments	<u><u>\$ 91,109,291</u></u>

### Investments

The District's investments consist of the following at June 30, 2024:

<u>Investment Type</u>	<u>Reported Amount</u>	<u>Average Maturity in Years</u>
County Pool	<u><u>\$ 90,972,164</u></u>	1.62

### 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; and collateralized mortgage obligations.

**General Authorizations**

Limitations as they relate to interest rate risk and concentration of credit risk are indicated in the schedules below:

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

**Custodial Credit Risk - Deposits**

Cash balances deposited with commercial banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. 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 (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 % of the total amount deposited by public agencies. The District is not exposed to custodial credit risk.

**Investments with County Treasury**

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of their 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. The pool is not registered with the Security Exchange Commission (SEC). Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2024 basic financial statements. A copy of that report may be obtained by contacting the Controller's Office, County of San Mateo, 555 County Center, Redwood City 94063.

**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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by depositing substantially all of its funds in the County Treasury Pool. The cost and fair value of the deposits with the County Treasurer at June 30, 2024, approximate cost, and the weighted average maturity of the pool is 1.62 years.

**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 San Mateo County are not rated.

**Note 3 - Receivables**

Accounts receivable at June 30, 2024 consist of the following:

	General Fund	Special Reserve Postemployment Benefits	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Federal Government						
Categorical aid	\$ 3,046,343	\$ -	\$ -	\$ -	\$524,828	\$ 3,571,171
State Government						
LCFF apportionment	8,594	-	-	-	-	8,594
Categorical aid	1,023,193	-	-	-	260,878	1,284,071
Lottery	314,904	-	-	-	-	314,904
Local Government						
Interest	469,003	184,899	54,415	139,374	32,943	880,634
Other local sources	1,276,166	-	-	-	377,910	1,654,076
Total	<u>\$ 6,138,203</u>	<u>\$ 184,899</u>	<u>\$ 54,415</u>	<u>\$ 139,374</u>	<u>\$ 1,196,559</u>	<u>\$ 7,713,450</u>

**Note 4 - Interfund Transactions****Interfund Receivables/Payables (Due To/Due From)**

Interfund receivables and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payable balances at June 30, 2024, between major and non-major governmental funds, and the internal service fund are as follows:

Due To	Due From					Total
	General Fund	Cafeteria Fund	Building Funds	Capital Facilities	Special Reserve Capital	
General	\$ -	\$ 9,404	\$ 963	\$ -	\$ -	\$ 10,367
Child Development	40,836	3,012	-	-	-	43,848
Special Reserve - Other	108,818	-	-	-	-	108,818
Building	-	-	-	235,279	1,219,686	1,454,965
Special Reserve - Capital	1,629,268	-	-	-	-	1,629,268
Total	<u>\$ 1,778,922</u>	<u>\$ 12,416</u>	<u>\$ 963</u>	<u>\$ 235,279</u>	<u>\$ 1,219,686</u>	<u>\$ 3,247,266</u>

All balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Operating Transfers**

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the year ended June 30, 2024, interfund transfers were as follows:

Transfer To	Transfer From General Fund
Special Reserve Fund for Other than Capital Outlay	<u>\$ 1,629,268</u>

**Note 5 - Capital Assets and Depreciation**

Capital asset activity for the year ended June 30, 2024, is shown below:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Governmental Activities</b>				
Capital assets not being depreciated or amortized				
Land	\$ 4,259,156	\$ -	\$ -	\$ 4,259,156
Construction in progress	31,255,613	27,449,363	(3,846,284)	54,858,692
Total capital assets not being depreciated or amortized	35,514,769	27,449,363	(3,846,284)	59,117,848
Capital assets being depreciated and amortized				
Land improvements	26,832,469	763,019	-	27,595,488
Buildings and improvements	154,021,973	3,442,414	-	157,464,387
Furniture and equipment	7,911,914	2,029,793	-	9,941,707
Total capital assets being depreciated and amortized	188,766,356	6,235,226	-	195,001,582
Total capital assets	224,281,125	33,684,589	(3,846,284)	254,119,430
Accumulated depreciation and amortization				
Land improvements	(5,875,075)	(1,139,038)	-	(7,014,113)
Buildings and improvements	(60,335,347)	(4,205,107)	-	(64,540,454)
Furniture and equipment	(4,919,058)	(350,822)	-	(5,269,880)
Total accumulated depreciation and amortization	(71,129,480)	(5,694,967)	-	(76,824,447)
Governmental activities capital assets, net	\$ 153,151,645	\$ 27,989,622	\$ (3,846,284)	\$ 177,294,983

# Jefferson Elementary School District

Notes to Financial Statements

June 30, 2024

Depreciation expense was charged as a direct expense to governmental functions as follows based upon use of asset:

<b>Governmental Activities</b>	
Instruction	\$ 3,635,005
Supervision of instruction	113,509
Instructional library, media, and technology	54,873
School site administration	431,580
Home-to-school transportation	109,131
Food services	204,726
All other pupil services	390,787
Anciliary Services	3,973
Community Services	2,195
All General Administration	308,713
Data processing	115,252
Plant services	325,223
	<u>                    </u>
Total depreciation expense governmental activities	<u><u>\$ 5,694,967</u></u>

## Note 6 - Accounts Payable

Accounts payable at June 30, 2024, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
State LCFF apportionment	\$ 1,755,793	\$ -	\$ -	\$ -	\$ 1,755,793
Salaries and benefits	82,456	-	-	-	82,456
Vendor payables	<u>4,765,975</u>	<u>1,571,458</u>	<u>111,790</u>	<u>279,746</u>	<u>6,728,969</u>
Total	<u><u>\$ 6,604,224</u></u>	<u><u>\$ 1,571,458</u></u>	<u><u>\$ 111,790</u></u>	<u><u>\$ 279,746</u></u>	<u><u>\$ 8,567,218</u></u>



**Note 7 - Unearned Revenue**

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 15,646	\$ 39,004	\$ 54,650
State categorical aid	387,204	285,753	672,957
Other local	1,972	-	1,972
Total	<u>\$ 404,822</u>	<u>\$ 324,757</u>	<u>\$ 729,579</u>

**Note 8 - Long Term Liabilities Other than OPEB and Pensions**

A schedule of changes in long-term obligation for the year ended June 30, 2024, is shown below: The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 133,755,000	\$ 10,000,000	\$ (5,835,000)	\$ 137,920,000	\$ 5,885,000
Unamortized debt premiums	4,619,476	508,949	(421,017)	4,707,408	378,528
Compensated absences	361,678	303,460	(361,678)	303,460	101,153
Other-deferred refunding charges	-	-	-	-	-
Total	<u>\$ 138,736,154</u>	<u>\$ 10,812,409</u>	<u>\$ (6,617,695)</u>	<u>\$ 142,930,868</u>	<u>\$ 6,364,681</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. Compensated absences will be paid for by the fund for which the employee worked.

# Jefferson Elementary School District

Notes to Financial Statements

June 30, 2024

## General Obligation Bonds

The outstanding general obligation bonded debt of the District at June 30, 2024, is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Redeemed/Refunded	Bonds Outstanding June 30, 2024
2013	9/1/2037	4.00-5.00	\$ 17,500,000	\$ 420,000	\$ -	\$ (420,000)	\$ -
2013	9/1/2030	2.00-5.00	15,395,000	1,365,000	-	(660,000)	705,000
2016	9/1/2040	3.00-5.00	17,500,000	15,820,000	-	(235,000)	15,585,000
2017	9/1/2035	2.00-5.00	15,000,000	11,870,000	-	(450,000)	11,420,000
2017	9/1/2029	2.00-5.00	16,205,000	9,065,000	-	(900,000)	8,165,000
2018	9/1/2044	2.00-5.00	15,000,000	13,230,000	-	-	13,230,000
2021	9/1/2042	4.00-5.00	15,000,000	14,180,000	-	(825,000)	13,355,000
2021	9/1/2042	4.00-5.00	46,980,000	45,305,000	-	(710,000)	44,595,000
2023	9/1/2050	4.50-5.00	22,500,000	22,500,000	-	(1,635,000)	20,865,000
2024	9/1/2049	5.00	10,000,000	-	10,000,000	-	10,000,000
Total				<u>\$ 133,755,000</u>	<u>\$ 10,000,000</u>	<u>\$ (5,835,000)</u>	<u>\$ 137,920,000</u>

## Debt Service Requirements to Maturity

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2025	\$ 5,885,000	\$ 4,602,610	\$ 10,487,610
2026	5,490,000	4,468,560	9,958,560
2027	4,920,000	4,302,495	9,222,495
2028	6,520,000	4,100,148	10,620,148
2029	7,050,000	3,853,517	10,903,517
2030-2034	30,515,000	16,607,945	47,122,945
2035-2039	30,920,000	12,188,390	43,108,390
2040-2044	27,500,000	6,872,221	34,372,221
2045-2049	15,850,000	2,559,002	18,409,002
2050-2051	3,270,000	76,200	3,346,200
Total	<u>\$ 137,920,000</u>	<u>\$ 59,631,088</u>	<u>\$ 197,551,088</u>

**Note 9 - Fund Balances**

Fund balance is composed of the following elements:

	General Fund	Special Reserve for Post Employment	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
<b>Nonspendable</b>						
Revolving cash	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Stores inventories	-	-	-	-	21,607	21,607
Total nonspendable	30,000	-	-	-	21,607	51,607
<b>Restricted</b>						
Educational programs	23,085,754	-	-	-	954,395	24,040,149
Food service	-	-	-	-	2,181,499	2,181,499
Capital projects	-	-	962,802	13,517,311	375,138	14,855,251
Debt services	-	-	-	-	9,860,687	9,860,687
Deferred Maintenance	-	-	-	-	328,205	328,205
Student Activity	-	-	-	-	47,359	47,359
Total restricted	23,085,754	-	962,802	13,517,311	13,747,283	51,313,150
<b>Committed</b>						
Employee Compensation	6,156,000	-	-	-	-	6,156,000
Technology	1,000,000	-	-	-	-	1,000,000
Textbook adoptions	4,146,428	-	-	-	-	4,146,428
Health and welfare	1,657,176	-	-	-	-	1,657,176
STRS and PERS	530,415	-	-	-	-	530,415
OPEB	-	18,899,200	-	-	-	18,899,200
Total committed	13,490,019	18,899,200	-	-	-	32,389,219
<b>Unassigned</b>						
Reserve for economic uncertainties	2,881,251	-	-	-	-	2,881,251
Remaining unassigned	2,905,698	-	-	-	-	2,905,698
Total unassigned	5,786,949	-	-	-	-	5,786,949
<b>Total</b>	<u>\$ 42,392,722</u>	<u>\$ 18,899,200</u>	<u>\$ 962,802</u>	<u>\$ 13,517,311</u>	<u>\$ 13,768,890</u>	<u>\$ 89,540,925</u>

**Note 10 - Risk Management**

The District's risk management activities are recorded in the General Fund. Employee life, health, dental and disability programs are administered by the General Fund through the purchase of commercial insurance and participation in a public entity risk pool. The District participates in the San Mateo County Schools' Insurance Group public entity risk pool (JPA) which covers the District for up to \$250,000 per occurrence for both property and liability. Excess coverage for liability is purchased through the JPA up to \$5,000,000 through the CSAC Excess Insurance Authority and from \$5,000,000 to \$55,000,000 is purchased through the JPA from the School Excess Liability Fund. Excess coverage for property is purchased through the JPA up to \$1,000,000,000 from the Alliant Insurance Services, Inc. Public Entity Property Insurance Program. Refer to Note 11 for additional information regarding the JPA. There has been no reduction in coverage to date.

**Note 11 - Joint Ventures (Joint Powers Agreements)**

The District is a member of the San Mateo County Schools' Insurance Group, joint powers authority (JPA). The District pays an annual premium to the entity for its workers' compensation, dental, and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

This JPA has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, fund transactions between the JPA and the District are included in these statements.

**Note 12 - Total Other Postemployment Benefit (OPEB) Liability**

For the fiscal year ended June 30, 2024, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 17,773,128	\$ 4,430,447	\$ 5,014,168	\$ 1,786,730

The details of the District's plan are as follows:

**Plan Administration**

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Plan Membership**

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	24
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	491
Total	515

**Benefits Provided**

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Retirees are eligible if they retire directly from the District on or after age 55 for classified employees and age 50 for certificated employees having served the District for 10 years. The benefits are capped for all employees at the time of retirement and they end at age 65.

Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

**Contributions**

The contribution requirements of Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For fiscal year 2023-2024, the District contributed \$560,695 to the Plan, all of which was used for current premiums.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost M1% decrease (2.69%)	Entry age normal
Inflation	2.75 percent
Discount rate	3.86 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the Bond Buyer 20-bond General Obligation Index

Mortality rates were based on the 2021 CalSTRS mortality study for certificated employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.86 percent (increase from 3.69 percent). The projection of cash flows used to determine the discount rate assumed that the District contributions will be based on a pay as you go amount. Since the plan was unfunded, the discount rate was calculated using the 20-year bond municipal index.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance, June 30, 2023	\$ 15,984,163
Service cost	897,815
Interest	580,825
Differences between expected and actual experience	(1,234,185)
Benefit paid to retirees	(487,286)
Changes of assumptions or other inputs	1,056,790
Benefit payments	975,006
Net change in total OPEB liability	1,788,965
Balance, June 30, 2024	\$ 17,773,128

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

Discount Rate	Total OPEB Liability
1% decrease (2.86%)	\$ 19,592,856
Current discount rate (3.86%)	17,773,128
1% increase (4.86%)	16,171,860

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

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

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3.0%)	\$ 16,138,598
Current healthcare cost trend rate (4.0%)	17,773,128
1% increase (5.0%)	19,684,537

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,786,730. At June 30, 2024, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 560,695	\$ -
Differences between expected and actual experience	910,234	1,902,560
Changes of assumptions	2,959,518	3,111,608
Total	<u>\$ 4,430,447</u>	<u>\$ 5,014,168</u>

The deferral related to the contributions subsequent to measurement date will be fully recognized in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (106,221)
2026	(106,221)
2027	(106,221)
2028	(106,221)
2029	(106,221)
Thereafter	(613,311)
Total	<u>\$ (1,144,416)</u>

**Note 13 - Employee Retirement Systems**

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

For the fiscal year ended June 30, 2024, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Credit)
CalSTRS	\$ 41,377,460	\$ 14,681,614	\$ 12,144,256	\$ 5,032,615
CalPERS	8,311,215	7,267,352	3,283,023	(494,087)
Total	<u>\$ 49,688,675</u>	<u>\$ 21,948,966</u>	<u>\$ 15,427,279</u>	<u>\$ 4,538,528</u>

The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)****Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under publications at:

<http://www.calstrs.com/member-publications>.

**Benefits Provided**

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



The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans. The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	19.10%	19.10%
Required employer contribution rate	10.828%	10.828%
Required state contribution rate		

### Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$6,702,080.

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

At June 30, 2024, 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:

Proportionate share of net pension liability	\$ 41,377,460
State's proportionate share of the net pension liability	19,825,105
Total	<u>\$ 61,202,565</u>

# Jefferson Elementary School District

Notes to Financial Statements

June 30, 2024

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0543 percent and 0.0538 percent, resulting in a net increase in the proportionate share of 0.0005 percent.

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$5,032,615. In addition, the District recognized pension expense and revenue of \$2,696,762 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,702,080	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,311,244	9,930,352
Differences between projected and actual earnings on pension plan investments	177,112	-
Differences between expected and actual experience in the measurement of the total pension liability	3,251,587	2,213,904
Changes of assumptions	239,591	-
Total	<u>\$ 14,681,614</u>	<u>\$ 12,144,256</u>

The deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments are amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (1,301,767)
2026	(2,040,097)
2027	3,352,593
2028	166,383
Total	<u>\$ 177,112</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2025	\$ (811,693)
2026	(866,620)
2027	(2,649,026)
2028	(608,977)
2029	(13,535)
Thereafter	608,017
Total	<u>\$ (4,341,834)</u>

#### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries. 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 future valuation, CalSTRS 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 for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25
Real estate	15%	4.05
Private equity	14%	6.75
Fixed income	14%	2.45
Risk mitigating strategies	10%	2.25
Inflation sensitive	7%	3.65
Cash/liquidity	2%	0.05

### 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 the contributions from plan members and employers will be made at statutory contribution rates. 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 occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 69,407,388
Current discount rate (7.10%)	41,377,460
1% increase (8.10%)	18,095,338

### California Public Employees' Retirement System (CalPERS)

#### Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation reports, Schools Pool Actuarial Valuation. These reports and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

### Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.68%	26.68%

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$2,761,167.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$8,311,215. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.0230% and 0.0211% resulting in a net increase in the proportionate share of 0.0019%.

For the year ended June 30, 2024, the District recognized pension credit of \$494,087. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,761,167	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,932,235	3,155,375
Differences between projected and actual earnings on pension plan investments	887,756	-
Differences between expected and actual experience in the measurement of the total pension liability	303,300	127,648
Changes of assumptions	382,894	-
Total	<u>\$ 7,267,352</u>	<u>\$ 3,283,023</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 165,601
2026	98,106
2027	596,422
2028	27,627
Total	<u>\$ 887,756</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (1,371,595)
2026	1,136,139
2027	570,862
Total	<u>\$ 335,406</u>

#### Actuarial Methods and Assumptions

Total pension liability for the School Employer Pool (SEP) was determined by applying updated procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

#### Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 12,015,868
Current discount rate (6.90%)	8,311,215
1% increase (7.90%)	5,249,403

#### Social Security

As established by Federal law, all public sector employees who are not members of either CalSTRS or CalPERS must be covered by social security or an alternative plan. The District has elected to use PARS as its alternative plan. Contributions made by the District and employee vest immediately. For employees who are members of CalPERS, the District and the employee each contribute 6.2 percent of the employee's gross earnings towards social security.



**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$3,171,038 (10.828 percent of annual payrolls). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on-behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves and have been included in the budgeted amounts reported in the General Fund - Budgetary Comparison Schedule.

**Note 14 - Commitments and Contingencies****State and Federal Allowances, Awards and Grants**

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

**Litigation**

The District is involved in various litigations 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, 2024.

**Construction Commitments**

As of June 30, 2024, the District had the following commitments with respect to unfinished capital projects in the amount of \$27,595,488.



Required Supplementary Information  
June 30, 2024

## Jefferson Elementary School District

Jefferson Elementary School District  
Budgetary Comparison Schedule – General Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local control funding formula	\$ 69,257,050	\$ 69,040,116	\$ 69,173,332	\$ 133,216
Federal sources	6,195,646	6,800,488	6,483,669	(316,819)
Other State sources	10,984,597	12,695,019	14,759,505	2,064,486
Other local sources	2,454,198	2,581,500	5,171,285	2,589,785
Total revenues <sup>1</sup>	88,891,491	91,117,123	95,587,791	4,470,668
Expenditures				
Current				
Certificated salaries	35,873,023	36,844,809	35,876,182	968,627
Classified salaries	10,953,438	11,106,292	11,533,141	(426,849)
Employee benefits	21,752,190	22,186,820	21,459,896	726,924
Books and supplies	4,781,302	6,464,945	5,248,573	1,216,372
Services and operating expenditures	12,633,037	17,241,212	17,370,870	(129,658)
Other outgo	950,799	977,060	818,493	158,567
Capital outlay	3,000	1,043,000	1,934,533	(891,533)
Total expenditures <sup>1</sup>	86,946,789	95,864,138	94,241,688	1,622,450
Excess (Deficiency) of Revenues Over Expenditures	1,944,702	(4,747,015)	1,346,103	6,093,118
Other Financing Sources (Uses)				
Transfers in	1,125,991	2,636,705	1,629,268	(1,007,437)
Net financing sources (uses)	1,125,991	2,636,705	1,629,268	(1,007,437)
Net Change in Fund Balances	3,070,693	(2,110,310)	2,975,371	5,085,681
Fund Balance - Beginning	39,417,351	39,417,351	39,417,351	-
Fund Balance - Ending	\$ 42,488,044	\$ 37,307,041	\$ 42,392,722	\$ 5,085,681

<sup>1</sup> Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to the fund are included in the Actual (GAAP Basis) revenues and expenditures.

Jefferson Elementary School District  
 Budgetary Comparison Schedule – Special Reserve Postemployment Benefits  
 Year Ended June 30, 2024

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	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Other local sources	\$ 80,000	\$ 110,000	\$ 1,025,771	\$ 915,771
Total revenues	80,000	110,000	1,025,771	915,771
Net Change in Fund Balances	80,000	110,000	1,025,771	915,771
Fund Balance - Beginning	17,873,429	17,873,429	17,873,429	-
Fund Balance - Ending	<u>\$ 17,953,429</u>	<u>\$ 17,983,429</u>	<u>\$ 18,899,200</u>	<u>\$ 915,771</u>

Jefferson Elementary School District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 897,815	\$ 1,224,091	\$ 1,139,474	\$ 970,671	\$ 843,469	\$ 828,053	\$ 904,935
Interest	580,825	342,619	360,482	402,495	455,435	426,849	352,569
Difference between expected and actual experience	(1,721,471)	-	1,172,804	-	(1,213,488)	-	-
Changes of assumptions	1,056,790	(3,161,713)	1,012,011	1,087,558	674,400	(72,203)	(749,642)
Benefit payments	975,006	(531,098)	(576,091)	(636,800)	(462,689)	(584,584)	(599,477)
Net change in total OPEB liability	1,788,965	(2,126,101)	3,108,680	1,823,924	297,127	598,115	(91,615)
Total OPEB Liability - Beginning	15,984,163	18,110,264	15,001,586	13,177,662	12,880,535	12,282,420	12,374,035
Total OPEB Liability - Ending	<u>\$ 17,773,128</u>	<u>\$ 15,984,163</u>	<u>\$ 18,110,266</u>	<u>\$ 15,001,586</u>	<u>\$ 13,177,662</u>	<u>\$ 12,880,535</u>	<u>\$ 12,282,420</u>
Covered Payroll	<u>\$ 43,979,274</u>	<u>\$ 45,064,466</u>	<u>\$ 40,371,364</u>	<u>\$ 41,520,549</u>	<u>\$ 42,358,942</u>	<u>\$ 42,586,500</u>	<u>\$ 42,562,454</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>40%</u>	<u>35%</u>	<u>45%</u>	<u>36%</u>	<u>31%</u>	<u>30%</u>	<u>29%</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

*Note:* In the future, as data becomes available, ten years of information will be presented.

Jefferson Elementary School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>										
Proportion of the net pension liability (asset)	0.0543%	0.0538%	0.0574%	0.0591%	0.0614%	0.0812%	0.0617%	0.0598%	0.0563%	0.0514%
Proportionate share of the net pension liability (asset)	\$ 41,377,460	\$ 37,375,821	\$ 26,112,190	\$ 57,237,459	\$ 55,499,053	\$ 57,237,286	\$ 57,073,316	\$ 48,353,247	\$ 37,874,189	\$ 30,011,929
State's proportionate share of the net pension liability	19,825,105	18,717,665	13,138,641	29,505,917	39,742,422	32,771,023	33,764,092	27,526,641	20,031,271	1,564,557
Total	\$ 61,202,565	\$ 56,093,486	\$ 39,250,831	\$ 86,743,376	\$ 95,241,475	\$ 90,008,309	\$ 90,837,408	\$ 75,879,888	\$ 57,905,460	\$ 31,576,486
Covered payroll	\$ 35,089,424	\$ 32,978,068	\$ 32,751,205	\$ 31,122,669	\$ 30,708,520	\$ 33,326,916	\$ 33,306,791	\$ 32,793,585	\$ 30,169,189	25,340,453
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	125.47%	114.12%	83.90%	183.91%	180.73%	171.74%	171.36%	147.45%	125.54%	118.43%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>CalPERS</b>										
Proportion of the net pension liability (asset)	0.0230%	0.0211%	6.4100%	0.0653%	0.0668%	0.0697%	0.0671%	0.0671%	0.0647%	0.0591%
Proportionate share of the net pension liability (asset)	\$ 8,311,215	\$ 7,271,574	\$ 3,955,567	\$ 20,020,819	\$ 19,472,478	\$ 18,590,471	\$ 16,148,434	\$ 13,247,961	\$ 9,538,284	\$ 6,704,122
Covered payroll	\$ 11,001,206	\$ 12,313,261	\$ 12,513,386	\$ 9,248,696	\$ 9,617,393	\$ 9,259,584	\$ 9,255,663	\$ 8,601,851	\$ 8,060,302	6,939,155
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.55%	59.05%	42.77%	216.47%	202.47%	200.77%	174.47%	154.01%	118.34%	96.61%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Jefferson Elementary School District  
Schedule of the District Pension Contributions  
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>										
Contractually required contribution	\$ 6,702,080	\$ 6,298,811	\$ 5,381,023	\$ 5,026,311	\$ 5,251,157	\$ 5,425,622	\$ 4,806,170	\$ 4,125,433	\$ 3,237,154	\$ 2,319,827
Less contributions in relation to the contractually required contribution	<u>6,702,080</u>	<u>6,298,811</u>	<u>5,381,023</u>	<u>5,026,311</u>	<u>5,251,157</u>	<u>5,425,622</u>	<u>4,806,170</u>	<u>4,125,433</u>	<u>3,237,154</u>	<u>2,319,827</u>
Covered payroll	<u>\$ 35,089,424</u>	<u>\$ 32,978,068</u>	<u>\$ 32,751,205</u>	<u>\$ 31,122,669</u>	<u>\$ 30,708,520</u>	<u>\$ 33,326,916</u>	<u>\$ 33,306,791</u>	<u>\$ 32,793,585</u>	<u>\$ 30,169,189</u>	<u>\$ 26,124,178</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>16.43%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
<b>CalPERS</b>										
Contractually required contribution	\$ 2,761,167	\$ 2,791,006	\$ 2,771,715	\$ 1,914,480	\$ 1,896,646	\$ 1,672,466	\$ 1,437,497	\$ 1,194,625	\$ 954,904	\$ 842,070
Less contributions in relation to the contractually required contribution	<u>2,761,167</u>	<u>2,791,006</u>	<u>2,771,715</u>	<u>1,914,480</u>	<u>1,896,646</u>	<u>1,672,466</u>	<u>1,437,497</u>	<u>1,194,625</u>	<u>954,904</u>	<u>842,070</u>
Covered payroll	<u>\$ 10,349,202</u>	<u>\$ 11,001,206</u>	<u>\$ 12,313,261</u>	<u>\$ 12,513,386</u>	<u>\$ 9,248,696</u>	<u>\$ 9,617,393</u>	<u>\$ 9,259,584</u>	<u>\$ 9,255,663</u>	<u>\$ 8,601,851</u>	<u>\$ 8,060,302</u>
Contributions as a percentage of covered payroll	<u>26.6800%</u>	<u>25.370%</u>	<u>22.150%</u>	<u>20.700%</u>	<u>19.7210%</u>	<u>18.0620%</u>	<u>15.5310%</u>	<u>13.8880%</u>	<u>11.8470%</u>	<u>11.7710%</u>

## **Note 1 – Purpose of Schedules**

### **Budgetary Comparison Schedule**

The District employs budget control at the total fund expenditures level. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget 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.

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

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

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

***Change of Assumptions*** – Changes of assumptions and other inputs reflect a change in the discount rate from 3.69 percent in 2022 to 3.86 percent in 2023 measurement date.

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

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

***Changes in Benefit Terms*** – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

***Changes of Assumptions*** – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

### **Schedule of District Pension Contributions**

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





Supplementary Information  
June 30, 2024

## Jefferson Elementary School District

Jefferson Elementary School District  
Schedule of Expenditures of Federal Awards  
June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education - Grants to States	84.027	13379	\$ 1,313,754
Special Education - Grants to States	84.027	10115	13,968
Special Education - Grants to States	84.027	10170	32,888
Special Education Preschool Grants	84.173	13431	398
Special Education Preschool Grants	84.173	13430	47,894
Total Special Education Cluster			<u>1,408,902</u>
Education Stabilization Fund			
COVID-19 -Elementary & Secondary School Emergency Relief Fund (ESSER III)	84.425U	15559	2,639,956
COVID-19 -Elementary & Secondary School Emergency Relief Fund (ESSER III)	84.425U	10155	251,088
COVID-19 -Elementary & Secondary School Emergency Relief Fund (ESSER III)	84.425U	15620	174,887
COVID-19 -Elementary & Secondary School Emergency Relief Fund (ESSER III)	84.425U	15566	12,965
COVID-19 -Elementary & Secondary School Emergency Relief Fund (ESSER III)	84.425U	15652	75,000
COVID-19 -Elementary & Secondary School Emergency Relief Fund (ESSER III)	84.425U	15621	639,554
Total			<u>3,793,450</u>
English Language Acquisition State Grants	84.365	15146	39,321
English Language Acquisition State Grants	84.365	14346	301,102
Total			<u>340,423</u>
Title I Grants to Local Educational Agencies	84.010	14329	765,161
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	156,344
Student Support and Academic Enrichment Program	84.424	15396	19,390
Total U.S. Department of Education			<u>6,483,670</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	23668	299,387
National School Lunch Program	10.555	23165	1,282,915
National School Lunch Program	10.555	13389	163,883
National School Lunch Program	10.555	15729	315,100
National School Lunch Program	10.555	15655	20,726
Total Child Nutrition Cluster			<u>2,082,011</u>
Child and Adult Care Food Program	10.558	13393	480,179
Child Nutrition Discretionary Grants Limited Availability	10.579	14906	23,639
Total U.S. Department of Agriculture			<u>2,585,829</u>
Total Federal Financial Assistance			<u>\$ 9,069,499</u>

Jefferson Elementary School District  
Schedule of Instructional Time  
Year Ended June 30, 2024

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Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Traditional Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	
Kindergarten	36,000	46,840	270	47,110	181	1	182	Complied
Grades 1 - 3								
Grade 1	50,400	55,005	330	55,335	181	1	182	Complied
Grade 2	50,400	55,005	330	55,335	181	1	182	Complied
Grade 3	50,400	55,005	330	55,335	181	1	182	Complied
Grades 4 - 8								
Grade 4	54,000	55,005	330	55,335	181	1	182	Complied
Grade 5	54,000	55,005	330	55,335	181	1	182	Complied
Grade 6	54,000	55,005	330	55,335	181	1	182	Complied
Grade 7	54,000	59,353	-	59,353	182	-	182	Complied
Grade 8	54,000	59,353	-	59,353	182	-	182	Complied

\*The District received an approved J-13A for 270 minutes for kindergarten and 330 minutes for grade 1 - 6 and 1 day.

# Jefferson Elementary School District

## Schedule of Average Daily Attendance

Year Ended June 30, 2024

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	1,997.56	2,003.45
Fourth through sixth	1,544.82	1,550.44
Seventh and eighth	1,124.93	1,124.83
Total Regular ADA	4,667.31	4,678.72
Extended Year Special Education		
Transitional kindergarten through third	4.41	4.41
Fourth through sixth	1.60	1.60
Seventh and eighth	1.02	1.02
Total Extended Year Special Education	7.03	7.03
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	1.30	1.55
Fourth through sixth	1.81	1.79
Seventh and eighth	4.54	4.57
Total Special Education, Nonpublic, Nonsectarian Schools	7.65	7.91
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.10	0.10
Fourth through sixth	0.53	0.53
Seventh and eighth	0.65	0.65
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	1.28	1.28
Total ADA	4,683.27	4,694.94

Jefferson Elementary School District  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
Year Ended June 30, 2024

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Summarized below is the fund balance reconciliation between the Unaudited Actual Financial Report and the audited financial statements at June 30, 2024:

	General Fund	Special Reserve Other
Fund Balance		
Balance, June 30, 2024, Unaudited Actuals	38,024,401	4,368,321
As required by GASB 54, the Special Reserve-Other Fund is combined with General Fund in the Audit Report	<u>4,368,321</u>	<u>(4,368,321)</u>
Balance, June 30, 2024, Audited Financial Statements	<u><u>\$ 42,392,722</u></u>	<u><u>\$ -</u></u>

# Jefferson Elementary School District

## Schedule of Financial Trends and Analysis

Year Ended June 30, 2024

	(Budget) 2025 <sup>1</sup>	2024	2023 <sup>1</sup>	2022 <sup>1</sup>
General Fund <sup>3</sup>				
Revenues	\$ 83,816,642	\$ 95,587,791	\$ 100,217,710	\$ 80,497,553
Other sources	1,400,000	1,629,268	-	12,460,544
Total revenues and other sources	85,216,642	97,217,059	100,217,710	92,958,097
Expenditures	93,403,274	94,241,688	83,739,540	84,891,841
Other uses and transfers out	-	-	-	11,061,711
Total Expenditures and Other Uses	93,403,274	94,241,688	83,739,540	95,953,552
Increase/(Decrease) in Fund Balance	(8,186,632)	2,975,371	16,478,170	(2,995,455)
Ending Fund Balance	\$ 34,206,090	\$ 42,392,722	\$ 39,417,351	\$ 22,939,181
Available Reserves <sup>2</sup>	\$ 8,277,064	\$ 5,786,949	\$ 13,363,034	\$ 13,363,034
Available Reserves as a Percentage of Total Outgo	8.86%	6.14%	4.45%	4.45%
Long-Term Liabilities	\$ 203,467,295	\$ 209,831,976	\$ 199,367,712	\$ 179,656,895
K-12 Average Daily Attendance at P-2	4,497	4,683	4,620	4,789

The General Fund balance has increased by \$19,453,541 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$8,186,632. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and it anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$30,175,081 over the past two years.

Average daily attendance has decreased by 106 over the past two years. A decrease of ADA is anticipated during fiscal year 2024-2025.

<sup>1</sup> Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties and Special Reserve – Other Fund balances.

<sup>3</sup> General Fund amounts include activity to the consolidation of the Special Reserve – Other Fund as required by GASB No. 54.

Jefferson Elementary School District  
Schedule of Charter Schools  
Year Ended June 30, 2024

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<u>Name of Charter School</u>	<u>Charter Number</u>	<u>Included in Audit Report</u>
California Virtual Academy	802	No

Jefferson Elementary School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2024

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
<b>Assets</b>							
Deposits and investments	\$ 47,359	\$ 1,205,615	\$ 1,566,172	\$ 324,994	\$ 140,740	\$ 9,775,318	\$ 13,060,198
Receivables	-	304,190	802,357	3,211	1,432	85,369	1,196,559
Due from other funds	-	-	12,416	-	235,279	-	247,695
Stores inventories	-	-	21,607	-	-	-	21,607
<b>Total assets</b>	<b>\$ 47,359</b>	<b>\$ 1,509,805</b>	<b>\$ 2,402,552</b>	<b>\$ 328,205</b>	<b>\$ 377,451</b>	<b>\$ 9,860,687</b>	<b>\$ 14,526,059</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 225,810	\$ 51,623	\$ -	\$ 2,313	\$ -	\$ 279,746
Due to other funds	-	43,848	108,818	-	-	-	152,666
Unearned revenue	-	285,752	39,005	-	-	-	324,757
<b>Total liabilities</b>	<b>-</b>	<b>555,410</b>	<b>199,446</b>	<b>-</b>	<b>2,313</b>	<b>-</b>	<b>757,169</b>
<b>Fund Balances</b>							
Nonspendable	-	-	21,607	-	-	-	21,607
Restricted	47,359	954,395	2,181,499	328,205	375,138	9,860,687	13,747,283
<b>Total fund balances</b>	<b>47,359</b>	<b>954,395</b>	<b>2,203,106</b>	<b>328,205</b>	<b>375,138</b>	<b>9,860,687</b>	<b>13,768,890</b>
<b>Total liabilities and fund balances</b>	<b>\$ 47,359</b>	<b>\$ 1,509,805</b>	<b>\$ 2,402,552</b>	<b>\$ 328,205</b>	<b>\$ 377,451</b>	<b>\$ 9,860,687</b>	<b>\$ 14,526,059</b>



Jefferson Elementary School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental Funds

Year Ended June 30, 2024

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues							
Federal sources	\$ -	\$ -	\$ 2,585,830	\$ -	\$ -	\$ -	\$ 2,585,830
Other State sources	-	2,403,273	1,722,419	-	-	46,472	4,172,164
Other local sources	33,003	979,620	181,021	17,815	91,219	10,031,151	11,333,829
Total revenues	33,003	3,382,893	4,489,270	17,815	91,219	10,077,623	18,091,823
Expenditures							
Current							
Instruction	-	2,127,918	-	-	-	-	2,127,918
Instruction-related activities							
Supervision of instruction	-	161,966	-	-	-	-	161,966
Instructional library, media, School site administration	-	189,413	-	-	-	-	189,413
Pupil services							
Food services	-	558	3,571,317	-	-	-	3,571,875
All other pupil services	-	1	-	-	-	-	1
Administration							
All other administration	-	173,312	108,818	-	-	-	282,130
Plant services	-	154,985	186,773	-	36,313	-	378,071
Ancillary services	44,875	-	-	-	-	-	44,875
Capital outlay	-	194,870	-	-	971,566	-	1,166,436
Debt service							
Principal	-	-	-	-	-	5,835,000	5,835,000
Interest and other	-	-	-	-	-	4,517,864	4,517,864
Total expenditures	44,875	3,003,023	3,866,908	-	1,007,879	10,352,864	18,275,549
Excess (Deficiency) of Revenues Over Expenditures	(11,872)	379,870	622,362	17,815	(916,660)	(275,241)	(183,726)
Other Financing Sources (Uses)							
Sale of general obligation bonds	-	-	-	-	-	508,949	508,949
Net Financing Sources (Uses)	-	-	-	-	-	508,949	508,949
Net Change in Fund Balances	(11,872)	379,870	622,362	17,815	(916,660)	233,708	325,223
Fund Balance - Beginning	59,231	574,525	1,580,744	310,390	1,291,798	9,626,979	13,443,667
Fund Balance - Ending	\$ 47,359	\$ 954,395	\$ 2,203,106	\$ 328,205	\$ 375,138	\$ 9,860,687	\$ 13,768,890

**Note 1 - Purpose of Schedules****Schedule of Expenditures of Federal Awards (SEFA)**Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Jefferson Elementary School District (the District) under programs of the federal government for the year ended June 30, 2024. The information 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). Because the schedule presents only a selected portion of the operations of the Jefferson Elementary School District, it is not intended to and does not present the financial position, changes in net position of the District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the *modified accrual* basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to subrecipients.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis 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**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

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

### **Schedule of 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.

### **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.

### **Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances**

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Other Information  
June 30, 2024

## Jefferson Elementary School District

**ORGANIZATION**

The Jefferson Elementary School District was established in 1866 and is located in San Mateo County. There were no changes in the boundaries of the District during the current fiscal year. The District operates under a locally-elected five-member Board form of government and serves grades K-8 students. The District has ten elementary schools, one K-8 school, three intermediate schools and one state preschool. There were no boundary changes during the year.

**GOVERNING BOARD**

MEMBER	OFFICE	TERM EXPIRES
Andrea Jordan	Member	2024
Manufou Liaiga-Anoa'i	Member	2024
Shakeel Ali	President	2026
Aaron Rashba	Clerk	2026
Anthony Tsujisaka	Vice President	2026

**ADMINISTRATION**

NAME	TITLE
Bernie Vidales	Superintendent
Josie Peterson	Assistant Superintendent, Business Services



Independent Auditor's Reports  
June 30, 2024

## Jefferson Elementary School District



**Independent Auditor's 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***

To the Governing Board  
Jefferson Elementary School District  
Daly City, California

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Elementary School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 13, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
December 13, 2024





## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Governing Board  
Jefferson Elementary School District  
Daly City, California

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Jefferson Elementary School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

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

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California  
December 13, 2024



## **Independent Auditor's Report on State Compliance and on Internal Control Over Compliance**

To the Governing Board  
Jefferson Elementary School District  
Daly City, California

### **Report on Compliance**

#### **Opinion on State Compliance**

We have audited Jefferson Elementary School District's (District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home-to-School Transportation Reimbursement	Yes
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
CHARTER SCHOOLS	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for Independent Study because average daily attendance reported did not exceed thresholds for testing.

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in 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 and material weaknesses in internal control over compliance that we identify 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Menlo Park, California  
December 13, 2024



Schedule of Findings and Questioned Costs  
June 30, 2024

# Jefferson Elementary School District



**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

**Identification of major programs**

<u>Name of Federal Program or Cluster</u>	Federal Financial Assistance Listing
Child Nutrition Cluster	10.555, 10.553
COVID 19 - Education Stabilization Fund	84.425U
Title I Grants to Local Educational Agencies	84.010
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

**State Compliance**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

There were no audit findings in the prior year's Schedule of Findings and Questioned Costs.