

NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2024

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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
New Jerusalem Elementary School District
Tracy, California

Report on the Audit of the Financial Statements***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the New Jerusalem Elementary School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New Jerusalem Elementary School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional 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 New Jerusalem Elementary School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Jerusalem Elementary School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions be presented to supplement the basic financial statements. Such information 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 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 New Jerusalem Elementary School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. 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 December 12, 2024 on our consideration of the New Jerusalem Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Jerusalem Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Jerusalem Elementary School District's internal control over financial reporting and compliance.



San Diego, California
December 12, 2024

NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

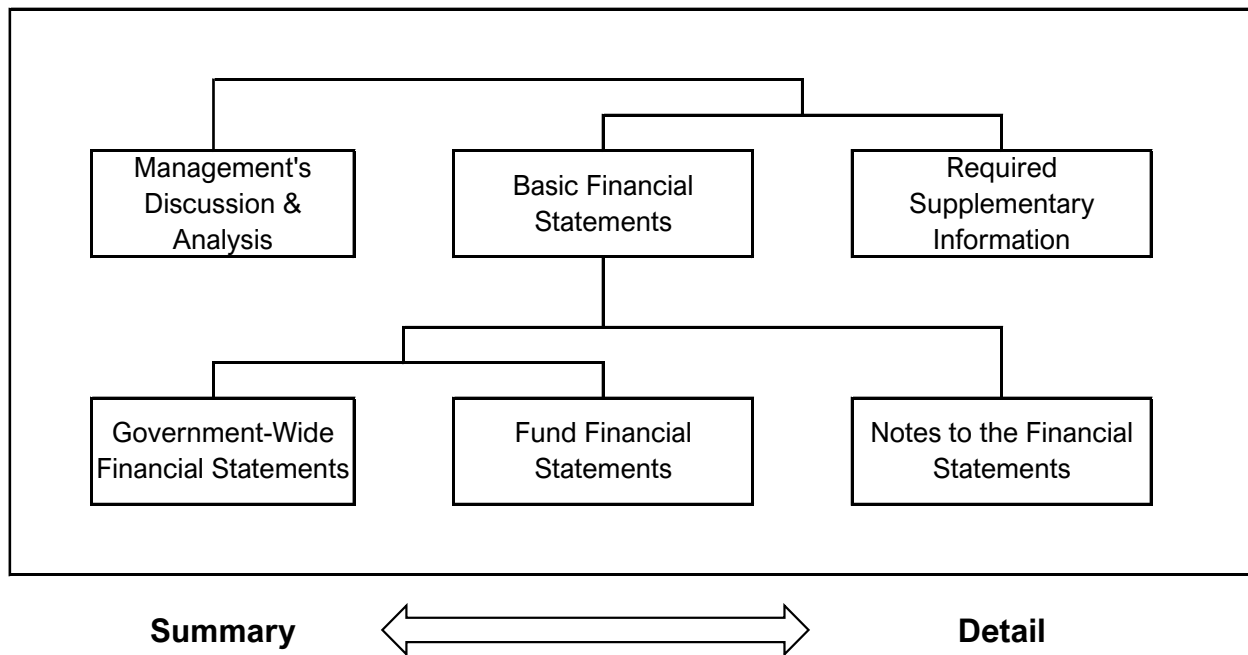
Our discussion and analysis of New Jerusalem Elementary School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The District's total net position was \$22,402,690 at June 30, 2024. This was an increase of \$3,454,553 from the prior year.
- ▶ Overall revenues were \$32,356,965 which exceeded expenses of \$28,902,412.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

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

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

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

Government-Wide Statements

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

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

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$22,402,690 at June 30, 2024, as reflected in the table below. Of this amount, \$(13,645,515) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2024	2023	Net Change
ASSETS			
Current and other assets	\$ 20,594,662	\$ 16,598,647	\$ 3,996,015
Capital assets	22,525,508	23,279,169	(753,661)
Total Assets	43,120,170	39,877,816	3,242,354
DEFERRED OUTFLOWS OF RESOURCES	9,133,521	9,466,563	(333,042)
LIABILITIES			
Current liabilities	3,015,865	3,002,525	13,340
Long-term liabilities	23,996,722	24,422,451	(425,729)
Total Liabilities	27,012,587	27,424,976	(412,389)
DEFERRED INFLOWS OF RESOURCES	2,838,414	2,971,266	(132,852)
NET POSITION			
Net investment in capital assets	21,718,579	18,703,938	3,014,641
Restricted	14,329,626	11,954,172	2,375,454
Unrestricted	(13,645,515)	(11,709,973)	(1,935,542)
Total Net Position	\$ 22,402,690	\$ 18,948,137	\$ 3,454,553

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 8,566	\$ 19,795	\$ (11,229)
Operating grants and contributions	4,795,107	7,218,728	(2,423,621)
General revenues			
Property taxes	1,130,630	940,154	190,476
Unrestricted federal and state aid	21,413,641	21,498,942	(85,301)
Other	5,009,021	4,297,084	711,937
Total Revenues	32,356,965	33,974,703	(1,617,738)
EXPENSES			
Instruction	16,535,283	15,361,666	1,173,617
Instruction-related services	3,749,077	3,206,091	542,986
Pupil services	3,154,325	3,022,249	132,076
General administration	3,056,540	2,330,500	726,040
Plant services	2,048,317	1,231,583	816,734
Ancillary services	140,235	180,274	(40,039)
Debt service	165,338	198,274	(32,936)
Other outgo	53,297	82,472	(29,175)
Total Expenses	28,902,412	25,613,109	3,289,303
Change in net position	3,454,553	8,361,594	(4,907,041)
Net Position - Beginning	18,948,137	10,586,543	8,361,594
Net Position - Ending	\$ 22,402,690	\$ 18,948,137	\$ 3,454,553

The cost of all our governmental activities this year was \$28,902,412 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$1,130,630 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

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

	Net Cost of Services	
	2024	2023
Instruction	\$ 13,788,999	\$ 10,180,660
Instruction-related services	3,525,723	2,898,702
Pupil services	1,617,407	1,341,590
General administration	2,793,531	2,330,500
Plant services	2,019,420	1,173,856
Ancillary services	140,235	180,274
Debt service	165,338	198,274
Transfers to other agencies	48,086	70,730
Total	\$ 24,098,739	\$ 18,374,586

FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$18,160,339, which is more than last year’s ending fund balance of \$14,161,569. The District’s General Fund had \$1,026,249 more in operating revenues than expenditures for the year ended June 30, 2024. The District’s Charter Schools Fund had \$2,933,903 more in operating revenues than expenditures for the year ended June 30, 2024.

CURRENT YEAR BUDGET 2023-2024

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2023-2024 the District had invested \$22,525,508 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Land	\$ 3,088,010	\$ 3,088,010	\$ -
Land improvements	1,419,117	1,419,117	-
Buildings & improvements	23,937,074	23,917,224	19,850
Furniture & equipment	2,028,585	1,981,602	46,983
Less: Accumulated depreciation	(7,947,278)	(7,126,784)	(820,494)
Total	\$ 22,525,508	\$ 23,279,169	\$ (753,661)

Long-Term Liabilities

At year-end, the District had \$23,996,722 in long-term liabilities, a decrease of 1.74% from last year – as shown in the table below. (More detailed information about the District’s long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
Total qualified school construction bond (QSCB)	\$ 777,343	\$ 1,149,685	\$ (372,342)
State school building loans	3,230,000	3,370,000	(140,000)
Financed purchases	29,586	55,546	(25,960)
Total OPEB liability	555,689	495,494	60,195
Net pension liability	19,961,303	19,890,028	71,275
Less: current portion of long-term liabilities	(557,199)	(538,302)	(18,897)
Total	\$ 23,996,722	\$ 24,422,451	\$ (425,729)

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Several economic factors could impact California school district funding and the District’s budget in the next fiscal year:

Long-term Declining Enrollment: Lower birth rates and increased migration out of state have resulted in long-term declining enrollment across California schools. Enrollment can fluctuate due to factors such as population growth, competition from private and parochial schools, inter-district transfers in or out, economic conditions, and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs.

Revenue Uncertainties: Proposition 98 guarantees have improved over the 23-24 fiscal year, but the prior 22-23 revenues fell short of estimates, reducing the guarantee and resulting in the use of Proposition 98 reserves. California faced a significant budget deficit due to a severe revenue decline in 2022-23, driven mainly by lower income tax collections and economic downturns. However, recent tax forecasts show that actual revenues surpass projections. Surpluses could help fund more Proposition 98 revenue for school districts.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Underfunded Pension Liabilities: The District participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2024. The amount of the liability is material to the District's financial position. The CalSTRS projected employer contribution rate for 2024-25 is 19.10 percent. The CalPERS projected employer contribution rate for 2024-25 is 27.05 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Economic Downturn: Higher borrowing costs and reduced investment have slowed economic activity, particularly affecting sectors like technology and startups, which are crucial to California's economy. The unemployment rate is up but might reverse with future jobs in the technology and aerospace industries.

Federal Reserve Actions: The Federal Reserve's interest rate hikes have increased borrowing costs, reducing investment and economic growth.

Stock Market Performance: The steep decline in the stock market in prior years has negatively impacted income tax collections from high-income Californians and corporations. But performance in 2024 is overall positive.

These factors contribute to a challenging fiscal environment, potentially affecting the state's ability to maintain or increase funding for school districts. All these factors were considered in preparing the District's 2024-25 fiscal year budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Officer for New Jerusalem Elementary School District at bwessell@njes.org.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 17,725,352
Accounts receivable	2,869,310
Capital assets, not depreciated	3,088,010
Capital assets, net of accumulated depreciation	19,437,498
Total Assets	<u>43,120,170</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	8,745,443
Deferred outflows related to OPEB	388,078
Total Deferred Outflows of Resources	<u>9,133,521</u>
LIABILITIES	
Accrued liabilities	1,794,542
Unearned revenue	664,124
Long-term liabilities, current portion	557,199
Long-term liabilities, non-current portion	23,996,722
Total Liabilities	<u>27,012,587</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,986,266
Deferred inflows related to OPEB	852,148
Total Deferred Inflows of Resources	<u>2,838,414</u>
NET POSITION	
Net investment in capital assets	21,718,579
Restricted:	
Capital projects	96,189
Educational programs	13,803,035
Food service	391,016
Associated student body	39,386
Unrestricted	(13,645,515)
Total Net Position	<u>\$ 22,402,690</u>

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 16,535,283	\$ -	\$ 2,746,284	\$ (13,788,999)
Instruction-related services				
Instructional supervision and administration	173,898	-	89,305	(84,593)
Instructional library, media, and technology	826,026	-	102	(825,924)
School site administration	2,749,153	294	133,653	(2,615,206)
Pupil services				
Home-to-school transportation	638,937	-	-	(638,937)
Food services	736,262	-	701,605	(34,657)
All other pupil services	1,779,126	-	835,313	(943,813)
General administration				
All other general administration	3,056,540	8,272	254,737	(2,793,531)
Plant services	2,048,317	-	28,897	(2,019,420)
Ancillary services	140,235	-	-	(140,235)
Interest on long-term debt	165,338	-	-	(165,338)
Other outgo	53,297	-	5,211	(48,086)
Total Governmental Activities	\$ 28,902,412	\$ 8,566	\$ 4,795,107	(24,098,739)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				1,130,630
Federal and state aid not restricted for specific purposes				21,413,641
Interest and investment earnings				788,854
Interagency revenues				3,766,406
Miscellaneous				453,761
Subtotal, General Revenue				27,553,292
CHANGE IN NET POSITION				3,454,553
Net Position - Beginning				18,948,137
Net Position - Ending				\$ 22,402,690

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	General Fund	Charter Schools Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,833,177	\$ 14,464,124	\$ 428,051	\$ 17,725,352
Accounts receivable	2,025,488	739,365	104,457	2,869,310
Total Assets	\$ 4,858,665	\$ 15,203,489	\$ 532,508	\$ 20,594,662
LIABILITIES				
Accrued liabilities	\$ 630,552	\$ 1,133,730	\$ 5,917	\$ 1,770,199
Unearned revenue	397,400	266,724	-	664,124
Total Liabilities	1,027,952	1,400,454	5,917	2,434,323
FUND BALANCES				
Nonspendable	5,000	-	-	5,000
Restricted	-	13,803,035	526,591	14,329,626
Unassigned	3,825,713	-	-	3,825,713
Total Fund Balances	3,830,713	13,803,035	526,591	18,160,339
Total Liabilities and Fund Balances	\$ 4,858,665	\$ 15,203,489	\$ 532,508	\$ 20,594,662

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2024**

Total Fund Balance - Governmental Funds \$ 18,160,339

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

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 30,472,786	
Accumulated depreciation	<u>(7,947,278)</u>	22,525,508

Unmatured interest on long-term debt:

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

(24,343)

Long-term liabilities:

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

Total qualified school construction bond (QSCB)	\$ 777,343	
State school building loans	3,230,000	
Financed purchases	29,586	
Total OPEB liability	555,689	
Net pension liability	<u>19,961,303</u>	(24,553,921)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources related to pensions	\$ 8,745,443	
Deferred inflows of resources related to pensions	<u>(1,986,266)</u>	6,759,177

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 388,078	
Deferred inflows of resources related to OPEB	<u>(852,148)</u>	(464,070)

Total Net Position - Governmental Activities \$ 22,402,690

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Charter Schools Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 1,288,575	\$ 20,311,525	\$ -	\$ 21,600,100
Federal sources	647,546	255,735	384,983	1,288,264
Other state sources	526,378	2,765,376	324,498	3,616,252
Other local sources	4,545,899	2,125,635	84,878	6,756,412
Total Revenues	7,008,398	25,458,271	794,359	33,261,028
EXPENDITURES				
Current				
Instruction	864,227	15,258,473	-	16,122,700
Instruction-related services				
Instructional supervision and administration	34,790	146,522	-	181,312
Instructional library, media, and technology	599,840	241,714	-	841,554
School site administration	56,058	2,760,770	-	2,816,828
Pupil services				
Home-to-school transportation	117,420	528,021	-	645,441
Food services	3,470	56,831	680,518	740,819
All other pupil services	481,903	1,371,796	-	1,853,699
General administration				
All other general administration	2,036,210	1,058,151	6,285	3,100,646
Plant services	1,021,875	1,016,223	-	2,038,098
Facilities acquisition and construction	6,617	13,233	-	19,850
Ancillary services	-	72,634	68,938	141,572
Transfers to other agencies	48,983	-	-	48,983
Debt service				
Principal	540,960	-	-	540,960
Interest and other	169,796	-	-	169,796
Total Expenditures	5,982,149	22,524,368	755,741	29,262,258
Excess (Deficiency) of Revenues Over Expenditures	1,026,249	2,933,903	38,618	3,998,770
Other Financing Sources (Uses)				
Transfers in	85,500	-	-	85,500
Transfers out	-	(85,500)	-	(85,500)
Net Financing Sources (Uses)	85,500	(85,500)	-	-
NET CHANGE IN FUND BALANCE	1,111,749	2,848,403	38,618	3,998,770
Fund Balance - Beginning	2,718,964	10,954,632	487,973	14,161,569
Fund Balance - Ending	\$ 3,830,713	\$ 13,803,035	\$ 526,591	\$ 18,160,339

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ 3,998,770

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

Capital outlay:

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

Expenditures for capital outlay:	\$	66,833	
Depreciation expense:		(820,494)	(753,661)

Debt service:

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

540,960

Unmatured interest on long-term debt:

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

2,802

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:

(69,798)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:

(261,862)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:

(2,658)

Change in Net Position of Governmental Activities	\$	3,454,553
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**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

The District operates under a locally elected Board form of government and provides educational services to grade K as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

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

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District's component units include Delta Charter, Delta Charter Online, Delta Bridges Charter, Delta Home Charter, Delta Keys Charter, and New Jerusalem Charter School. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and thus are included in the financial statements of the District.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

Major Governmental Funds

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

Charter Schools Fund: This fund may be used by authorizing District's to account separately for the activities of District-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

Non-Major Governmental Funds

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

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

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

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

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

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements

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

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

Governmental Funds

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

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

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

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Unearned Revenue

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

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

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives. Estimated useful lives of the various classes of depreciable capital assets are 4 to 30 years depending on asset types.

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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

Premiums and Discounts

In the government-wide and long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources

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

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Pensions

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

Fund Balance

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

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

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

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

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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

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

F. Interfund Activity

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

G. Estimates

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

H. Budgetary Data

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

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022, and for periods beginning after June 15, 2023. The District has fully implemented this Statement as of June 30, 2024.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has fully implemented this Statement as of June 30, 2024.

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

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The District has not yet determined the impact on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities
Investment in county treasury	\$ 17,680,752
Cash on hand and in banks	39,386
Cash with fiscal agent	214
Cash in revolving fund	5,000
Total	\$ 17,725,352

B. Policies and Practices

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

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

NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

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

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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$17,665,547 and an amortized book value of 17,680,752. The average weighted maturity for this pool is 748 days.

E. Credit Risk

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, the District's bank balance was not exposed to custodial credit risk.

G. Fair Value

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

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

The District's fair value measurements at June 30, 2024 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 17,665,547
Total	\$ 17,665,547

NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Charter Schools Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government				
Categorical aid	\$ 503,492	\$ 261,555	\$ 35,986	\$ 801,033
State Government				
Apportionment	-	34,704	-	34,704
Categorical aid	690	168,101	41,144	209,935
Lottery	-	108,498	-	108,498
Local Government				
Other local sources	1,521,306	166,507	27,327	1,715,140
Total	\$ 2,025,488	\$ 739,365	\$ 104,457	\$ 2,869,310

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,088,010	\$ -	\$ -	\$ 3,088,010
Total capital assets not being depreciated	3,088,010	-	-	3,088,010
Capital assets being depreciated				
Land improvements	1,419,117	-	-	1,419,117
Buildings & improvements	23,917,224	19,850	-	23,937,074
Furniture & equipment	1,981,602	46,983	-	2,028,585
Total capital assets being depreciated	27,317,943	66,833	-	27,384,776
Less: Accumulated depreciation				
Land improvements	774,553	56,271	-	830,824
Buildings & improvements	5,026,056	701,569	-	5,727,625
Furniture & equipment	1,326,175	62,654	-	1,388,829
Total accumulated depreciation	7,126,784	820,494	-	7,947,278
Total capital assets being depreciated, net	20,191,159	(753,661)	-	19,437,498
Governmental Activities				
Capital Assets, net	\$ 23,279,169	\$ (753,661)	\$ -	\$ 22,525,508

Depreciation expense in the amount of \$820,494 was charged as a direct expense to the governmental function instruction.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2024 consisted of a transfer of \$85,500 from the Charter Schools Fund to the General Fund for a loan repayment.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2024 consisted of the following:

	General Fund	Charter Schools Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	\$ 147,716	\$ 365,915	\$ 5,553	\$ -	\$ 519,184
Vendors payable	347,185	767,815	364	-	1,115,364
Unmatured interest	-	-	-	24,343	24,343
Other liabilities	135,651	-	-	-	135,651
Total	\$ 630,552	\$ 1,133,730	\$ 5,917	\$ 24,343	\$ 1,794,542

NOTE 7 – UNEARNED REVENUE

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

	General Fund	Charter Schools Fund	Governmental Activities
Federal sources	\$ 175,989	\$ 37,636	\$ 213,625
State categorical sources	60,174	229,088	289,262
Local sources	161,237	-	161,237
Total	\$ 397,400	\$ 266,724	\$ 664,124

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2024 consisted of the following:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due In One Year
Governmental Activities					
Qualified school construction bond (QSCB)	\$ 1,155,000	\$ -	\$ 375,000	\$ 780,000	\$ 385,000
Unamortized premium	(5,315)	-	(2,658)	(2,657)	(2,657)
Total qualified school construction bond (QSCB)	1,149,685	-	372,342	777,343	382,343
State school building loans	3,370,000	-	140,000	3,230,000	145,000
Financed purchases	55,546	-	25,960	29,586	29,856
Total OPEB liability	495,494	60,195	-	555,689	-
Net pension liability	19,890,028	71,275	-	19,961,303	-
Total	\$ 24,960,753	\$ 131,470	\$ 538,302	\$ 24,553,921	\$ 557,199

- Payments for qualified school construction bonds are made in the General Fund.
- Payments for financed purchases are made in the General Fund.
- Payments for the school building loan are made in the General Fund.

A. Qualified School Construction Bonds (QSCB)

On April 1, 2011, Lease Revenue Bonds in the amount of \$5,100,000 were issued at interest rates ranging between 5.75 – 6.63 percent. The bonds are designated as qualified school construction bonds ("QSCB") which were issued by the California School Finance Authority to finance improvements to charter school facilities within the District. The District is responsible for repayment of principal and interest amounts as shown below. Pursuant to a Trustee Agreement governing the repayment terms, the Trustee is scheduled to receive refundable tax credits subject to reduction or offset by the Internal Revenue Service.

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2024
				Outstanding July 01, 2023	Additions	Deductions	
4/1/2011	11/1/2025	5.75% - 6.63%	\$ 5,100,000	\$ 1,155,000	\$ -	\$ 375,000	\$ 780,000
				\$ 1,155,000	\$ -	\$ 375,000	\$ 780,000

The bond matures through 2026 as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 385,000	\$ 47,000	\$ 432,000
2026	395,000	15,800	410,800
Total	\$ 780,000	\$ 62,800	\$ 842,800

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. School Building Loan

On February 13, 2020, the District entered into a school building loan agreement with Municipal Financing Corporation (Corporation) to finance and provide for the construction, installation, and completion of certain public improvements as defined under the agreement. The District is financing the agreement with the Corporation for a total of \$3,635,000 whereas financing shall be for a period of ten years at a fixed interest rate of 2.59% per annum with annual payments of principal and interest of \$735,173 due each November 1, beginning November 1, 2016 and through November 1, 2030. The District is responsible for repayment of principal and interest amounts as shown below.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 145,000	\$ 85,469	\$ 230,469
2026	560,000	81,779	641,779
2027	570,000	77,959	647,959
2028 - 2031	1,955,000	68,764	2,023,764
Total	\$ 3,230,000	\$ 313,971	\$ 3,543,971

C. Financed Purchases

The District entered into financed purchase agreements for school buses. The annual requirements on these financed purchases as of June 30, 2024, are as follows:

<u>Year Ended June 30,</u>	<u>Payment</u>
2025	\$ 33,360
Total minimum payments	33,360
Less amount representing interest	(3,504)
Present value of minimum payments	<u>\$ 29,856</u>

D. Other Postemployment Benefits

The District's beginning total OPEB liability was \$495,494 and increased by \$60,195 during the year ended June 30, 2024. The ending total OPEB liability at June 30, 2024 was \$555,689. See Note 10 for additional information regarding the total OPEB liability.

E. Net Pension Liability

The District's beginning net pension liability was \$19,890,028 and increased by \$71,275 during the year ended June 30, 2024. The ending net pension liability at June 30, 2024 was \$19,961,303. See Note 11 for additional information regarding the net pension liability.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2024:

	General Fund	Charter Schools Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 5,000	\$ -	\$ -	\$ 5,000
Total non-spendable	5,000	-	-	5,000
Restricted				
Educational programs	-	13,803,035	-	13,803,035
Food service	-	-	391,016	391,016
Associated student body	-	-	39,386	39,386
Capital projects	-	-	96,189	96,189
Total restricted	-	13,803,035	526,591	14,329,626
Unassigned	3,825,713	-	-	3,825,713
Total	\$ 3,830,713	\$ 13,803,035	\$ 526,591	\$ 18,160,339

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The New Jerusalem Elementary School District’s defined benefit OPEB plan, New Jerusalem Elementary School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

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

	<u>Superintendent, Assistant Superintendent, and Deputy Superintendent</u>	<u>Certificated</u>
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	Until Medicare Eligible	Until Medicare Eligible
Required Service	10 years	25 years
Minimum Age	55	55
Dependent Coverage	Yes	Yes
District Contribution %	100%	100%
District Cap	None	Active Cap

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

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

C. Contributions

For the measurement period presented, the District contributed \$271 to the Plan, all of which was used for current premiums.

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	1
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>63</u>
Total number of participants**	<u>64</u>

*Information not provided

**As of the June 30, 2023 valuation date

E. Total OPEB Liability

The New Jerusalem Elementary School District’s total OPEB liability of \$555,689 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability measured as of June 30, 2023, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Economic assumptions:

Inflation	2.50%
Payroll increase	2.75%
Discount Rate	3.65%
Healthcare cost trend rate	4.00%

Non-economic assumptions:

Mortality:

Certificated	2020 CalSTRS Mortality Table
Miscellaneous	2020 CalPERS Active Mortality for Miscellaneous Employees Table

Retirement rates:

Certificated	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Management	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates

The actuarial assumptions used in the June 30, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

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

G. Changes in Total OPEB Liability

	<u>June 30, 2024</u>
Total OPEB Liability	
Service cost	\$ 81,673
Interest on total OPEB liability	18,981
Difference between expected and actual experience	(34,269)
Changes of assumptions	(5,919)
Benefits payments	<u>(271)</u>
Net change in total OPEB liability	60,195
Total OPEB liability - beginning	<u>495,494</u>
Total OPEB liability - ending	<u>\$ 555,689</u>
Covered-employee payroll	\$ 8,150,754
District's total OPEB liability as a percentage of covered-employee payroll	6.82%

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease	Valuation Discount Rate	1% Increase
	(2.65%)	(3.65%)	(4.65%)
Total OPEB liability	\$ 611,468	\$ 555,689	\$ 504,404

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	(3.00%)	(4.00%)	(5.00%)
Total OPEB liability	\$ 474,130	\$ 555,689	\$ 657,886

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

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

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

For the year ended June 30, 2024, the New Jerusalem Elementary School District recognized OPEB expense of \$73,062. At June 30, 2024, the New Jerusalem Elementary School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 56,909	\$ 760,774
Changes in assumptions	273,761	91,374
District contributions subsequent to the measurement date	57,408	-
Total	<u>\$ 388,078</u>	<u>\$ 852,148</u>

The \$57,408 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 17,252	\$ 44,844
2026	17,252	44,844
2027	17,252	44,844
2028	17,252	44,844
2029	17,252	44,844
Thereafter	244,410	627,928
Total	<u>\$ 330,670</u>	<u>\$ 852,148</u>

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
CalSTRS Pension	\$ 10,992,234	\$ 5,278,516	\$ 1,848,514	\$ 2,168,030
CalPERS Pension	8,969,069	3,466,927	137,752	1,181,538
Total	<u>\$ 19,961,303</u>	<u>\$ 8,745,443</u>	<u>\$ 1,986,266</u>	<u>\$ 3,349,568</u>

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2024, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$1,805,567 for the year ended June 30, 2024.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$842,411 to CalSTRS.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

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

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

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:

District's proportionate share of the net pension liability	\$	10,992,234
State's proportionate share of the net pension liability associated with the District		<u>5,266,783</u>
Total	\$	<u>16,259,017</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to 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. At June 30, 2023, the District’s proportion was 0.014 percent, which was a decrease of 0.002 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$2,168,030. In addition, the District recognized pension expense and revenue of \$(76,484) 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 47,051
Differences between expected and actual experience	863,809	588,140
Changes in assumptions	63,649	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,545,491	1,213,323
District contributions subsequent to the measurement date	<u>1,805,567</u>	<u>-</u>
Total	<u>\$ 5,278,516</u>	<u>\$ 1,848,514</u>

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

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

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

The \$1,805,567 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 1,019,550	\$ 828,903
2026	678,204	1,022,301
2027	678,205	(623,343)
2028	553,523	298,052
2029	399,858	178,549
2030	143,609	144,052
Total	\$ 3,472,949	\$ 1,848,514

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2023 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness. based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

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%
	100%	

*Real return is net of assumed 2.75% inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the net pension liability	\$ 18,438,595	\$ 10,992,234	\$ 4,807,163

Pension Plan Fiduciary Net Position

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

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

Benefits Provided

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

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2024 was 26.68% of annual payroll. Contributions to the plan from the District were \$1,282,139 for the year ended June 30, 2024.

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 of \$8,969,069 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to 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. At June 30, 2023, the District's proportion was 0.025 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2022.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2024, the District recognized pension expense of \$1,181,538. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 958,025	\$ -
Differences between expected and actual experience	327,307	137,752
Changes in assumptions	413,201	-
Changes in proportion and differences between District contributions and proportionate share of contributions	486,255	-
District contributions subsequent to the measurement date	1,282,139	-
Total	<u>\$ 3,466,927</u>	<u>\$ 137,752</u>

The \$1,282,139 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 743,020	\$ 74,374
2026	606,986	63,378
2027	804,968	-
2028	29,814	-
Total	<u>\$ 2,184,788</u>	<u>\$ 137,752</u>

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 2000 to 2019.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	<u>100.0%</u>	

*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net pension liability	\$ 12,966,955	\$ 8,969,069	\$ 5,664,907

Pension Plan Fiduciary Net Position

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

C. Construction Commitments

As of June 30, 2024, the District had no commitments with respect to unfinished capital projects.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 13 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2024, total deferred outflows related to pensions was \$8,745,443 and total deferred inflows related to pensions was \$1,986,266.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2024, total deferred outflows related to other postemployment benefits was \$388,078 and total deferred inflows related to other postemployment benefits was \$852,148.

REQUIRED SUPPLEMENTARY INFORMATION

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 1,106,983	\$ 1,136,225	\$ 1,374,075	\$ 237,850
Federal sources	286,239	925,110	672,295	(252,815)
Other state sources	56,879	747,261	526,378	(220,883)
Other local sources	4,039,116	4,266,724	4,521,150	254,426
Total Revenues	5,489,217	7,075,320	7,093,898	18,578
EXPENDITURES				
Certificated salaries	820,994	843,119	865,691	(22,572)
Classified salaries	1,481,141	1,661,265	1,537,457	123,808
Employee benefits	1,074,762	1,227,619	1,158,420	69,199
Books and supplies	171,203	2,068,216	624,046	1,444,170
Services and other operating expenditures	983,364	1,040,133	955,423	84,710
Capital outlay	-	56,734	85,687	(28,953)
Other outgo				
Excluding transfers of indirect costs	776,249	767,176	755,425	11,751
Total Expenditures	5,307,713	7,664,262	5,982,149	1,682,113
Excess (Deficiency) of Revenues				
NET CHANGE IN FUND BALANCE	181,504	(588,942)	1,111,749	1,700,691
Fund Balance - Beginning	-	2,718,964	2,718,964	-
Fund Balance - Ending	\$ 181,504	\$ 2,130,022	\$ 3,830,713	\$ 1,700,691

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

- The loan repayment from the charter school is reported as other local sources in this schedule and has been reclassified as a transfer in on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 CHARTER SCHOOLS FUND – BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 20,659,443	\$ 20,248,581	\$ 20,311,525	\$ 62,944
Federal sources	217,620	211,511	255,735	44,224
Other state sources	1,254,130	1,899,667	2,780,208	880,541
Other local sources	1,566,324	1,857,925	2,125,635	267,710
Total Revenues	23,697,517	24,217,684	25,473,103	1,255,419
EXPENDITURES				
Certificated salaries	9,072,860	9,395,320	9,134,939	260,381
Classified salaries	3,024,226	3,470,068	3,382,449	87,619
Employee benefits	4,408,715	4,848,215	5,313,206	(464,991)
Books and supplies	1,198,655	6,745,878	1,193,960	5,551,918
Services and other operating expenditures	3,341,980	3,693,296	3,467,639	225,657
Capital outlay	-	15,715	47,007	(31,292)
Total Expenditures	21,046,436	28,168,492	22,539,200	5,629,292
Excess (Deficiency) of Revenues Over Expenditures	2,651,081	(3,950,808)	2,933,903	6,884,711
Other Financing Sources (Uses):				
Transfers out	(85,500)	(85,500)	(85,500)	-
Net Financing Sources (Uses)	(85,500)	(85,500)	(85,500)	-
NET CHANGE IN FUND BALANCE	2,565,581	(4,036,308)	2,848,403	6,884,711
Fund Balance - Beginning	-	10,954,633	10,954,633	-
Fund Balance - Ending	\$ 2,565,581	\$ 6,918,325	\$ 13,803,036	\$ 6,884,711

See accompanying notes to required supplementary information.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability							
Service cost	\$ 81,673	\$ 101,293	\$ 301,628	\$ 238,761	\$ 149,347	\$ 153,162	\$ 149,063
Interest on total OPEB liability	18,981	11,203	14,234	12,621	14,142	8,649	2,939
Difference between expected and actual experience	(34,269)	62,601	(654,592)	(1,236)	(203,720)	-	-
Changes of assumptions	(5,919)	(85,006)	311,795	5,417	(8,617)	(2,235)	-
Benefits payments	<u>(271)</u>	<u>(62,601)</u>	<u>(2,472)</u>	<u>-</u>	<u>(13,565)</u>	<u>(12,695)</u>	<u>(12,207)</u>
Net change in total OPEB liability	60,195	27,490	(29,407)	255,563	(62,413)	146,881	139,795
Total OPEB liability - beginning	<u>495,494</u>	<u>468,004</u>	<u>497,411</u>	<u>241,848</u>	<u>304,261</u>	<u>157,380</u>	<u>17,585</u>
Total OPEB liability - ending	<u>\$ 555,689</u>	<u>\$ 495,494</u>	<u>\$ 468,004</u>	<u>\$ 497,411</u>	<u>\$ 241,848</u>	<u>\$ 304,261</u>	<u>\$ 157,380</u>
Covered-employee payroll	\$ 8,150,754	\$ 4,093,796	\$ 370,850	\$ 293,555	\$ 398,661	\$ 510,791	\$ 510,791
District's total OPEB liability as a percentage of covered-employee payroll	6.82%	12.10%	126.20%	169.44%	60.67%	59.57%	30.81%

See accompanying notes to required supplementary information.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.014%	0.016%	0.015%	0.014%	0.013%	0.015%	0.012%	0.011%	0.009%	0.009%
District's proportionate share of the net pension liability	\$ 10,992,234	\$ 11,073,036	\$ 7,016,607	\$ 13,637,984	\$ 11,884,690	\$ 13,515,031	\$ 10,778,544	\$ 9,173,254	\$ 6,248,832	\$ 5,244,462
State's proportionate share of the net pension liability associated with the District	5,266,783	5,545,409	3,530,559	7,030,326	6,483,944	7,738,025	6,376,493	5,222,170	3,304,943	3,167,655
Total	<u>\$ 16,259,017</u>	<u>\$ 16,618,445</u>	<u>\$ 10,547,166</u>	<u>\$ 20,668,310</u>	<u>\$ 18,368,634</u>	<u>\$ 21,253,056</u>	<u>\$ 17,155,037</u>	<u>\$ 14,395,424</u>	<u>\$ 9,553,775</u>	<u>\$ 8,412,117</u>
District's covered payroll	\$ 9,480,595	\$ 9,344,208	\$ 8,592,151	\$ 7,666,888	\$ 7,338,164	\$ 6,342,714	\$ 6,342,714	\$ 5,717,781	\$ 4,209,192	\$ 4,168,812
District's proportionate share of the net pension liability as a percentage of its covered payroll	115.94%	118.50%	81.66%	177.88%	161.96%	213.08%	169.94%	160.43%	148.46%	125.80%
Plan fiduciary net position as a percentage of the total pension liability	80.60%	81.20%	87.20%	71.80%	72.60%	71.00%	69.46%	70.04%	74.02%	76.52%

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.025%	0.026%	0.024%	0.023%	0.023%	0.024%	0.020%	0.019%	0.015%	0.013%
District's proportionate share of the net pension liability	\$ 8,969,069	\$ 8,816,992	\$ 4,848,693	\$ 7,193,988	\$ 6,570,023	\$ 6,469,890	\$ 4,838,021	\$ 3,695,263	\$ 2,239,108	\$ 1,521,226
District's covered payroll	\$ 4,283,359	\$ 3,932,781	\$ 3,424,334	\$ 3,398,522	\$ 3,109,123	\$ 2,618,049	\$ 2,618,049	\$ 2,269,476	\$ 1,687,993	\$ 1,408,793
District's proportionate share of the net pension liability as a percentage of its covered payroll	209.39%	224.19%	141.60%	211.68%	211.31%	247.13%	184.79%	162.82%	132.65%	107.98%
Plan fiduciary net position as a percentage of the total pension liability	70.00%	69.80%	81.00%	70.00%	70.00%	70.80%	71.87%	73.90%	79.43%	83.38%

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 1,805,567	\$ 1,767,408	\$ 1,580,174	\$ 1,358,530	\$ 1,310,315	\$ 1,201,234	\$ 1,110,955	\$ 797,862	\$ 613,454	\$ 381,559
Contributions in relation to the contractually required contribution*	(1,805,567)	(1,767,408)	(1,580,174)	(1,358,530)	(1,310,315)	(1,201,234)	(1,110,955)	(797,862)	(613,454)	(381,559)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 9,491,325	\$ 9,480,595	\$ 9,344,208	\$ 8,592,151	\$ 7,666,888	\$ 7,338,164	\$ 6,342,714	\$ 6,342,714	\$ 5,717,781	\$ 4,209,192
Contributions as a percentage of covered payroll	19.02%	18.64%	16.91%	15.81%	17.09%	16.37%	17.52%	12.58%	10.73%	9.06%

*Amounts do not include on-behalf contributions

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 1,282,139	\$ 1,088,696	\$ 899,744	\$ 708,144	\$ 666,039	\$ 564,183	\$ 497,024	\$ 359,312	\$ 265,585	\$ 197,877
Contributions in relation to the contractually required contribution*	(1,282,139)	(1,088,696)	(899,744)	(708,144)	(666,039)	(564,183)	(497,024)	(359,312)	(265,585)	(197,877)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,860,744	\$ 4,283,359	\$ 3,932,481	\$ 3,424,334	\$ 3,398,522	\$ 3,109,123	\$ 2,618,049	\$ 2,618,049	\$ 2,269,476	\$ 1,687,993
Contributions as a percentage of covered payroll	26.38%	25.42%	22.88%	20.68%	19.60%	18.15%	18.98%	13.72%	11.70%	11.72%

*Amounts do not include on-behalf contributions

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

Schedule of Changes in Total OPEB Liability and Related Ratios

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

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for OPEB.

Changes in Assumptions

The discount rate changed from 3.54% to 3.65% since the previous measurement for OPEB.

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

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

Changes in Benefit Terms

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

Changes in Assumptions

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

Schedule of District Contributions

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 843,119	\$ 865,691	\$ 22,572
Capital outlay	\$ 56,734	\$ 85,687	\$ 28,953
Charter Schools Fund			
Employee benefits	\$ 4,848,215	\$ 5,313,206	\$ 464,991
Capital outlay	\$ 15,715	\$ 47,007	\$ 31,292

SUPPLEMENTARY INFORMATION

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 50,581
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	6,492
Title III, English Learner Student Program	84.365	14346	31,021
Title VI, Part B, Rural & Low Income School Program	84.358	14356	10,000
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	269,140
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	1,046
Subtotal Special Education Cluster			<u>270,186</u>
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	343,387
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	85,611
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	14,763
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	7,615
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	10,011
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	23,779
Subtotal Education Stabilization Fund Discretionary Grants			<u>485,166</u>
Total U. S. Department of Education			<u>853,446</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	31,789
National School Lunch Program	10.555	13391	164,157
USDA Commodities	10.555	*	32,612
Summer Food Service Program for Children	10.559	13004	10,238
Subtotal Child Nutrition Cluster			<u>238,796</u>
<i>Passed through California Department of Social Services:</i>			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care	10.558	13393	20,129
CACFP COVID-19 Emergency Operational Costs Reimbursement	10.558	15577	6,940
Subtotal Child and Adult Care Food Program			<u>27,069</u>
Total U. S. Department of Agriculture			<u>265,865</u>
Total Federal Expenditures			<u>\$ 1,119,311</u>

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2024**

	Second Period Report	Annual Report
NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	13.50	13.45
Total TK/K through Third	13.50	13.45
TOTAL SCHOOL DISTRICT	13.50	13.45
	Second Period Report	Annual Report
NEW JERUSALEM CHARTER SCHOOL		
Classroom-based		
TK/K through Third	82.08	81.14
Fourth through Sixth	78.07	77.37
Seventh through Eighth	58.88	58.34
Total classroom-based	219.03	216.85
TOTAL NEW JERUSALEM CHARTER SCHOOL	219.03	216.85
DELTA CHARTER		
Classroom-based		
TK/K through Third	215.55	212.21
Fourth through Sixth	158.05	156.04
Seventh Eighth	111.82	110.34
Ninth through Twelfth	242.52	241.48
Total Classroom-based	727.94	720.07
Non-classroom-based		
Ninth through Twelfth	54.18	55.47
Total non-classroom-based	54.18	55.47
TOTAL DELTA CHARTER	782.12	775.54
DELTA CHARTER ONLINE		
Non-classroom-based		
Ninth through Twelfth	240.89	244.00
Total non-classroom-based	240.89	244.00
TOTAL DELTA CHARTER ONLINE	240.89	244.00
DELTA KEYS CHARTER		
Non-classroom-based		
Ninth through Twelfth	130.42	131.13
Total non-classroom based	130.42	131.13
TOTAL DELTA KEYS CHARTER	130.42	131.13
DELTA HOME CHARTER		
Classroom-based		
TK/K through third	23.43	23
Total classroom-based	23.43	23
Non-classroom-based		
TK/K through third	66.13	67.54
Fourth through sixth	66.38	68.94
Seventh through Eighth	87.62	91.10
Total nonclassroom-based	220.13	227.58
TOTAL DELTA HOME CHARTER	243.56	250.92

See accompanying note to supplementary information.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024**

Grade Level	Minutes Requirement	2023-24 Actual Minutes	Number of Days	Status
New Jerusalem Elementary				
Kindergarten	36,000	60,130	180	Complied
New Jerusalem Charter				
Kindergarten	36,000	59,430	178	Complied
Grade 1	50,400	57,294	178	Complied
Grade 2	50,400	57,294	178	Complied
Grade 3	50,400	57,294	178	Complied
Grade 4	54,000	57,294	178	Complied
Grade 5	54,000	57,294	178	Complied
Grade 6	54,000	57,294	178	Complied
Grade 7	54,000	57,294	178	Complied
Grade 8	54,000	57,294	178	Complied
Delta Home Charter				
Kindergarten	36,000	59,430	178	Complied
Grade 1	50,400	56,760	178	Complied
Grade 2	50,400	56,760	178	Complied
Grade 3	50,400	56,760	178	Complied
Grade 4	54,000	56,760	178	Complied
Grade 5	54,000	56,760	178	Complied
Grade 6	54,000	56,760	178	Complied
Grade 7	54,000	56,760	178	Complied
Grade 8	54,000	56,760	178	Complied
Delta Charter School				
Kindergarten	36,000	58,440	178	Complied
Grade 1	50,400	54,090	178	Complied
Grade 2	50,400	54,090	178	Complied
Grade 3	50,400	54,090	178	Complied
Grade 4	54,000	55,870	178	Complied
Grade 5	54,000	55,870	178	Complied
Grade 6	54,000	55,870	178	Complied
Grade 7	54,000	55,870	178	Complied
Grade 8	54,000	55,870	178	Complied
Grade 9	64,800	55,870	178	Complied
Grade 10	64,800	65,180	178	Complied
Grade 11	64,800	65,180	178	Complied
Grade 12	64,800	65,180	178	Complied

See accompanying note to supplementary information.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 6,174,658	\$ 7,093,898	\$ 6,908,713	\$ 4,821,968
Expenditures And Other Financing Uses	6,105,740	5,982,149	7,005,054	4,044,385
Net change in Fund Balance	<u>\$ 68,918</u>	<u>\$ 1,111,749</u>	<u>\$ (96,341)</u>	<u>\$ 777,583</u>
Ending Fund Balance	<u>\$ 3,899,631</u>	<u>\$ 3,830,713</u>	<u>\$ 2,718,964</u>	<u>\$ 2,874,779</u>
Available Reserves*	<u>\$ 3,278,577</u>	<u>\$ 3,825,713</u>	<u>\$ 2,202,397</u>	<u>\$ 2,563,823</u>
Available Reserves As A Percentage Of Outgo	<u>53.70%</u>	<u>63.95%</u>	<u>31.44%</u>	<u>63.39%</u>
Long-term Liabilities	<u>\$ 23,996,722</u>	<u>\$ 24,553,921</u>	<u>\$ 24,960,753</u>	<u>\$ 17,473,876</u>
Average Daily Attendance At P-2	<u>14</u>	<u>14</u>	<u>21</u>	<u>21</u>

The General Fund ending fund balance has increased by \$955,934 over the past two years. The fiscal year 2024-25 budget projects a further increase of \$68,918. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2024-25 fiscal year. Total long-term obligations has increased by \$7,080,045 over the past two years.

Average daily attendance has decreased by 8 ADA over the past two years. No change is anticipated during the 2024-25 fiscal year. The schedule only includes the District's ADA and does not include ADA for the charter schools.

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
 STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024**

	Student Activity Fund
June 30, 2024, annual financial and budget report fund balance	\$ -
Adjustments and reclassifications:	
Increase (decrease) in total fund balances:	
Increase in cash in banks	39,386
Net adjustments and reclassifications	<u>39,386</u>
June 30, 2024, audited financial statement fund balance	<u>\$ 39,386</u>

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF CHARTER SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2024**

Charter #	Charter School	Status	Included in Audit Report
1448	Humphreys College Academy of Business Law and Education	Active	No
1489	California Virtual Academy	Active	No
1644	Valley View Charter Prep	Active	No
1762	Insight @ San Joaquin	Active	No
1731	Astronaut Jose' M. Hernandez Academy	Active	No
1003	New Jerusalem Charter School	Active	Yes
1646	Delta Home Charter School (Academy of Arts and Science: San Joaquin)	Active	Yes
1878	Delta Keys Charter School	Active	Yes
1879	Delta Charter Online	Active	Yes
0393	Delta Charter School	Active	Yes

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 JUNE 30, 2024**

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS					
Cash and investments	\$ 39,386	\$ 293,575	\$ 95,067	\$ 23	\$ 428,051
Accounts receivable	-	103,358	1,099	-	104,457
Total Assets	\$ 39,386	\$ 396,933	\$ 96,166	\$ 23	\$ 532,508
LIABILITIES					
Accrued liabilities	\$ -	\$ 5,917	\$ -	\$ -	\$ 5,917
Total Liabilities	-	5,917	-	-	5,917
FUND BALANCES					
Restricted	39,386	391,016	96,166	23	526,591
Total Fund Balances	39,386	391,016	96,166	23	526,591
Total Liabilities and Fund Balances	\$ 39,386	\$ 396,933	\$ 96,166	\$ 23	\$ 532,508

See accompanying note to supplementary information.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2024**

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES					
Federal sources	\$ -	\$ 384,983	\$ -	\$ -	\$ 384,983
Other state sources	-	324,498	-	-	324,498
Other local sources	56,119	15,309	13,450	-	84,878
Total Revenues	56,119	724,790	13,450	-	794,359
EXPENDITURES					
Current					
Pupil services					
Food services	-	680,518	-	-	680,518
General administration					
All other general administration	-	-	6,285	-	6,285
Ancillary services	68,938	-	-	-	68,938
Total Expenditures	68,938	680,518	6,285	-	755,741
NET CHANGE IN FUND BALANCE	(12,819)	44,272	7,165	-	38,618
Fund Balance - Beginning	52,205	346,744	89,001	23	487,973
Fund Balance - Ending	\$ 39,386	\$ 391,016	\$ 96,166	\$ 23	\$ 526,591

See accompanying note to supplementary information.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2023 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2023.

	AL	
	Number	Amount
	_____	_____
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 1,288,264
Supply Chain Assistance	15655	(119,119)
IRS Subsidy	*	(49,834)
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 1,119,311</u>

*AL number is not available or not applicable.

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION, continued
JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Charter Schools

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

Combining Statements – Non-Major Funds

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

OTHER INFORMATION

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2024**

The New Jerusalem Elementary School District was established in 1865 and is in San Joaquin County. There were no changes in the boundaries of the District during the current year. The District is operating one Kindergarten school and five charter schools.

GOVERNING BOARD

Member	Office	Term Expires
Angela H. Reece	President	2026
William Koster	Clerk	2026
Kyle Robertson	Member	2024

DISTRICT ADMINISTRATORS

Kellyann Reis
Superintendent of Schools

Billy Wessell
Chief Business Officer

OTHER INDEPENDENT AUDITORS' REPORTS

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

Governing Board
New Jerusalem Elementary School District
Tracy, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of New Jerusalem Elementary School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the New Jerusalem Elementary School District's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive style.

San Diego, California
December 12, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board
New Jerusalem Elementary School District
Tracy, California

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

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

In our opinion, New Jerusalem Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for Compliance

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

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

- Exercise professional 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 New Jerusalem Elementary School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of New Jerusalem Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New Jerusalem Elementary School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

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

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

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

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California
December 12, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board
New Jerusalem Elementary School District
Tracy, California

Report on State Compliance***Opinion on State Compliance***

We have audited New Jerusalem Elementary School District's 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 New Jerusalem Elementary School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2024.

In our opinion, New Jerusalem Elementary School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2024.

Basis for Opinion on State Compliance

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

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Jerusalem Elementary School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for 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 New Jerusalem Elementary School District's compliance with the requirements of the applicable state programs as a whole.

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

- Exercise professional 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 New Jerusalem Elementary School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of New Jerusalem Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of New Jerusalem Elementary School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine New Jerusalem Elementary School District's compliance with the state laws and regulations applicable to the following items:

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

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

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance; for charter schools	Yes
Mode of Instruction; for charter schools	Yes
Nonclassroom-Based Instruction/Independent Study; for charter schools	Yes
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Yes
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2024-001, #2024-002, #2024-003, and #2024-004. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on New Jerusalem Elementary School District’s response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. New Jerusalem Elementary School District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California
December 12, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
<u>84.027, 84.173</u>	<u>Special Education Cluster</u>	
Dollar threshold used to distinguish between Type A and Type B programs:		<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?		<u>Yes</u>

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2023-24 Guide for Annual Audits of California K-12 Local Education Agencies</i> ?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

There were no financial statement findings for the year ended June 30, 2024.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2024.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

FINDING #2024-001: COMPREHENSIVE SCHOOL SAFETY PLAN (40000)

Criteria: According to California Education Code Sections 32280–32289, all California public schools serving kindergarten through grade twelve must develop a comprehensive school safety plan approved by the board of directors by March 1 of the audit year. Additionally, if a district fails to approve the plan by October 15, it is required to submit a letter to the State Superintendent of Public Instruction explaining the non-compliance.

Condition: During the audit, it was observed that New Jerusalem Elementary School did not develop or obtain approval for its comprehensive school safety plan by the March 1 deadline for the 2023–24 fiscal year. Furthermore, the District did not update or approve a comprehensive school safety plan during this period.

Cause: The District’s review procedures were insufficient to ensure the timely development and approval of the safety plan.

Effect: The District did not comply with the comprehensive school safety requirements outlined in the California Education Code, resulting in non-compliance with state-mandated timelines.

Questioned Costs: \$2,000. As of the audit visit, the District had not submitted a letter to the State Superintendent of Public Instruction by October 15 providing the reason of non-compliance.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District enhance its procedures for developing and approving comprehensive school safety plans to ensure compliance with statutory deadlines. Additionally, the District should promptly submit a notification letter to the State Superintendent of Public Instruction, as required, to address the current instance of non-compliance.

Corrective Action Plan: New Jerusalem Elementary School District now employs a Director of Safety that will ensure that the Comprehensive School Safety Plan is approved by the School Board prior to the March 1st deadline annually. Additionally, New Jerusalem Elementary School District recently submitted a letter to the State Superintendent of Public Instruction to address the current instance of non-compliance.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-002: EXPANDED LEARNING OPPORTUNITIES PROGRAM (40000)

Criteria: Pursuant to California Education Code Section 46120(g)(6), a local education agency (LEA) must provide access to enroll in the Extended Learning Opportunities Program (ELOP), consider enrollment is evident by maintaining a signed registration form.

Condition: Based on our review of the Extended Learning Opportunities Program operating documentation for Delta Charter, we identified one (1) student who did not have a signed registration on file.

Effect: The District was not in compliance with the related sections of Education Code.

Cause: The non-compliance resulted from administrative oversight in implementing the requirements of this new State program.

Questioned Costs: There are no questioned costs, the district was able to demonstrate they provided access to ELOP.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District implement procedures to ensure signed registration forms are obtained and retained for all students enrolled in the ELOP. This will ensure compliance with enrollment documentation requirements and support program accountability.

Corrective Action Plan: The Expanded Learning Site Leads at each school site will verify that there is a signed registration form on file prior to the student attending the ELOP program. Additionally, periodic internal audits will be conducted to ensure that signed registration forms are received for all students.

FINDING #2024-003: MODE OF INSTRUCTION (40000)

Criteria: Pursuant to California Code of Regulations (CCR) Title 5 §11963, classroom-based instruction must meet four requirements, one of which states that the charter school's pupils are to be under the immediate supervision of an employee of the charter school who is authorized to provide instruction to pupils within the meaning of Education Code (Ed Code) Section 47605(l). Per Ed Code Section 47605(l), teachers in charter schools shall hold a Commission on Teacher Credentialing certificate, permit or other document equivalent to that which a teacher in other public schools would be required to hold. Auditors are required to verify compliance with such Ed Code in Section BB of the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. If not in full compliance of Section BB, the charter school could be eligible for apportionment if found in full compliance with Audit Section CC Nonclassroom-Based Instruction/Independent Study.

Condition: Based on review and testing of teacher certifications for classroom-based instructors, the auditor identified two (2) employees in teaching positions that did not hold an active teaching credential at Delta Charter. Information for each employee is noted below:

- **Employee 1 and 2:** Held a Substitute Teaching Permit valid for the 2023-24 school year. As a result, the employees did not possess a valid teaching credential to provide classroom-based instruction to pupils in grades 7-8 and grades 10-11, respectively for the period beginning November 9, 2023 to May 31, 2024.

Effect: The charter school is not in compliance with State requirements for mode of instruction, which also effects instructional time requirements.

Cause: Management and employee oversight of teaching credential status.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-003: MODE OF INSTRUCTION (40000) (continued)

ADA Impact: There is no impact on ADA as students engaged in educational activities on each school day.

Questioned Cost: There is no questioned cost directly related to Mode of Instruction; however, refer to Finding #2024-004 for the questioned cost related to annual instructional minutes.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that all credentials be monitored by management and individual teaching staff to ensure that all members of the charter school’s teaching staff hold valid teaching credentials if responsible for the immediate supervision of charter school pupils under classroom-based instruction.

Corrective Action Plan: Principals are responsible for tracking how long substitute teachers are serving in a single teaching assignment. They will ensure that another credentialed teacher takes over the assignment prior to the end of the substitute teacher’s legally allowed time in any single teaching assignment.

FINDING #2024-004: ANNUAL INSTRUCTIONAL MINUTES – CLASSROOM BASED INSTRUCTION (40000 and 3000)

Criteria: In accordance with Education Code 47512.5(a)(1), for each fiscal year, a charter school shall offer a minimum of 54,000 instructional minutes for pupils in grades 4 to 8 and 64,800 instructional minutes for pupils in grades 9 to 12. Pursuant to California Code of Regulations (CCR) Title 5 §11963, classroom-based instruction must meet four requirements, one of which states that the charter school’s pupils are to be under the immediate supervision of an employee of the charter school who is authorized to provide instruction to pupils within the meaning of Education Code (Ed Code) Section 47605(l).

Condition: Based on review and testing of teacher certifications for classroom-based instructors, we found that two (2) employees in teaching positions did not hold a valid teaching credential at Delta Charter. As a result of non-credentialed employees providing instruction, the instructional time offered for this portion of the school day cannot be included in instructional time as it did not meet the criteria for classroom-based instruction.

Employees noted in Finding #2024-003 caused minutes to fall below the annual minimum required minutes. Employee 1 and 2 did not possess a valid teacher credential and provided instruction to pupils in grades 7 to 8 and 10 to 11, respectively during the period of November 9, 2023 to May 31, 2024.

We reviewed bell schedules, instructional calendar, and employee schedules to exclude any days or activities supervised by a credentialed employee to limit disallowed minutes to only periods where no other credentialed employee was present.

Effect: The charter school is not in compliance with State requirements for instructional time offered to grades levels 7-8 and 10-11. Instructional time is reduced as follows:

	Grade Span	Instructional	Disallowed	Number of Minutes Short		
		Minutes Offered (a)	Minutes (b)	Actual (a - b)	Required (c)	Short (b - c)
Employee 1	7-8	55,870	28,942	26,928	54,000	(27,072)
Employee 2	10-11	65,180	35,480	29,700	64,800	(35,100)

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING 2024-004: ANNUAL INSTRUCTIONAL MINUTES – CLASSROOM BASED INSTRUCTION (40000 and 3000) (continued)

Cause: Management and employee oversight of teaching credential status and expiration date.

ADA Impact: There is no ADA impact from this audit finding; however, affected grade level ADA for affected students in grades 7-8 and 10-11 was determined to be 22.07 and 12.31 ADA, respectively.

Questioned Costs: A total penalty of \$217,009 based on guidance from the California Department of Education (CDE) as calculated below:

Grade Span	7-8	9-12
Affected grade level(s)	7-8	10-11
Number of required days	175	175
Number of days short	-	-
Days of operation adjustment factor	1.00	1.00
Affected grade level ADA	22.07	12.31
Adjusted ADA for LCFF Apportionment	22.07	12.31
Derived Value of ADA by Grade Span	\$11,425.89	\$13,586.08
Number of required minutes	54,000	64,800
Number of minutes short	27,072	35,100
Percentage of Minutes Not Offered	50.13%	54.17%
Affected LCFF Apportionment by Grade Span	\$252,169	\$167,245
Instructional Time Penalty by Grade Span	\$126,412	\$90,597
	Total	\$217,009

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that all credentials be monitored by management and individual teaching staff to ensure that all members of the charter school’s teaching staff hold valid teaching credentials if responsible for the immediate supervision of charter school pupils under classroom-based instruction. Further, we recommend that instructional time requirements be reviewed and monitored throughout the school year.

Corrective Action Plan: Principals are responsible for tracking how long substitute teachers are serving in a single teaching assignment. They will ensure that another credentialed teacher takes over the assignment prior to the end of the substitute teacher’s legally allowed time in any single teaching assignment.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2023-001: INSTRUCTIONAL MATERIALS (70000)

Criteria: Per Education Code Section 60119, the public hearing for instructional materials must occur on or before the end of the eighth week from the first day pupils attended school for that year. Per Education Code Section 60120 and 60400, the governing board must adopt basic instructional materials for use in kindergarten and grades 1 to 12.

Condition: The District did not hold a public hearing for instructional materials nor did its board approve a resolution adopting instructional materials.

Cause: There were changes in personnel during this time which may have contributed to the late timing of the hearing.

Effect: The District is not in compliance with California Education Code Section 60119, 60120, and 60400.

Questioned Costs: Funding for this program has ended, thus there are no questioned costs related to instructional materials.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District comply with Education Code Section 60119 in the future and ensure that the public hearing for instructional materials occurs on or before the end of the eighth week from the first day pupils attended school for that year. We also recommend that the District comply with Education Code Section 60120 and 60400 and ensure that a resolution to adopt instructional materials is approved by the governing board.

Corrective Action Plan: We have put systems in place to ensure that this annual requirement goes to Board in a timely manner and that the District complies with Education Codes 60119, 60120 and 60400.

Current Status: Implemented.

FINDING #2023-002: HOME-TO-SCHOOL TRANSPORTATION PLAN (40000)

Criteria: Pursuant to California Education Code Section 39800.1(a), all local educational agencies receiving Home-to-School Transportation Reimbursement funding were required to adopt a transportation plan for the apportioned funds by April 1, 2023.

Condition: Based on audit inquiries and our review of board meeting documents, the District did not adopt a transportation plan during the year ended June 30, 2023.

Effect: The District was not in compliance with the applicable section of Education Code.

Cause: Administrative oversight.

**NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2023-002: HOME-TO-SCHOOL TRANSPORTATION PLAN (40000) (continued)

Questioned Costs: \$298,469 as the amount of the Home-to School Transportation Reimbursement for FY22-23 will be disallowed.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District develop and adopt a transportation plan for board approval as soon as possible.

Corrective Action Plan: This was not originally completed due to a misunderstanding over the calculation. The Legislation states that it applies to Districts and County Offices of Education. However, after consultation with SJCOE, it was determined that it did not apply to Charter Schools. Based on this information, we did not develop and adopt a transportation plan because we did not think we would be receiving these funds as our Transportation Add-On is higher than 60% of prior year expenditures for the District alone. CDE's calculation, however, included prior year expenditures for our dependent charter schools, in addition to the District's expenditures, and this resulted in an allocation. The District will develop and adopt a transportation plan prior to the April 1st deadline going forward to ensure that we are in compliance.

Current Status: Implemented.