

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2021

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roseville Joint Union High School District
Roseville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Roseville Joint Union High School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District, as of June 30, 2021, 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.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This resulted in a restatement of the beginning governmental activities net position and the beginning aggregate remaining fund information fund balance totaling \$1,261,056. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* on pages 4 to 14, and the Required Supplementary information, such as the General Fund Budgetary Comparison Schedule, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 51 to 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roseville Joint Union High School District's basic financial statements. The accompanying schedule of expenditure 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*, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents 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. Such information, except for the Schedule of Financial Trends and Analysis, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021 on our consideration of Roseville Joint Union High 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roseville Joint Union High School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, stylized font.

Crowe LLP

Sacramento, California
November 29, 2021

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This section of Roseville Joint Union High School District's annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 to 3, and the District's financial statement, which immediately follow this section.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 15 and 16, provide information about the activities of the District as a whole and present a long-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 17 through 20, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- For the Governmental Activities programs, total current year revenues exceeded total current year expenses by \$17,430,694.
- Capital assets, net, increased by \$37,093,409 primarily due to projects at West Park High School.
- The District's 2020/21 P2 Average Daily Attendance increased by 17.89 or 0.18% over 2019/20.
- The District maintains sufficient reserves for a district of its size. It meets the state required minimum reserve for economic uncertainty of 3% of general fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2020/21, General Fund expenditures and other financing uses totaled \$133,630,215.
- The ending fund balance (EFB) for the General Fund at June 30th was \$32,692,931. This includes a 3% reserve for state required economic uncertainties and a 3% board reserve for economic uncertainties. The combined reserves for economic uncertainties total \$8,004,948. The EFB also includes \$6,235,431 which is a combination of legally restricted categorical carryovers, unrestricted categorical, site base budget, and other department carryovers, and non-spendable revolving cash and prepaid items. The remaining \$18,452,553 of EFB is unappropriated, but is going to be used to offset potential future year deficits.
- The District recognized over \$15.6M in Federal and State stimulus revenue related to COVID-19.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THE FINANCIAL REPORT

The full annual financial report consists of the following: Management's Discussion and Analysis, the basic financial statements, supplementary information, and required supplementary information. The four 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 two different perspectives, district-wide and funds.

- District-wide financial statements, which comprise the first two statements of Statement of Net Position and Statement of Activities, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements, comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
 - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

Reporting the District as a Whole

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

The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THE FINANCIAL REPORT (CONTINUED)

In the Statement of Net Position and the Statement of Activities, we divide the District into two categories of activities:

Reporting the District as a Whole

Governmental Activities:

The basic services provided by the District, such as regular and special education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of state and federal contracts and grants, and local revenues.

Business-type Activities:

The District does not provide any services that should be included in this category.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of Roseville Joint Union High School District are the General Fund, the Building Fund, Capital Facilities Fund, and the Bond Interest and Redemption Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THE FINANCIAL REPORT (CONTINUED)

Fiduciary Funds

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District's net position increased from \$120,629,779 at June 30, 2020 to \$139,321,529 at June 30, 2021; an increase of \$18,691,750 or 15.50%.

Comparative Statement of Net Position			
		2021	2020
<u>Assets:</u>			
	Current & Other Assets	\$ 118,687,916	\$ 76,434,521
	Capital Assets	422,721,748	385,628,339
	Total Assets	541,409,664	462,062,860
<u>Deferred Outflow:</u>			
	Loss on refunded debt	32,699,204	3,928,494
	Deferred outflow- Pensions	3,155,771	33,195,848
	Total Deferred Outflow	35,854,975	37,124,342
<u>Liabilities:</u>			
	Other liabilities	16,968,617	14,942,455
	Long-Term Debt outstanding	413,939,493	355,143,968
	Total Liabilities	430,908,110	370,086,423
<u>Deferred Inflow:</u>			
	Deferred inflow- Pensions	7,035,000	8,471,000
<u>Net Position:</u>			
	Net Investment in capital assets	196,905,516	177,574,841
	Restricted	35,576,501	38,088,784
	Unrestricted	(93,160,488)	(95,033,846)
	Total Net Position	\$ 139,321,529	\$ 120,629,779
	Comparative Change --\$	\$ 18,691,750	n/a
	Comparative Change --%	15.50%	n/a

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

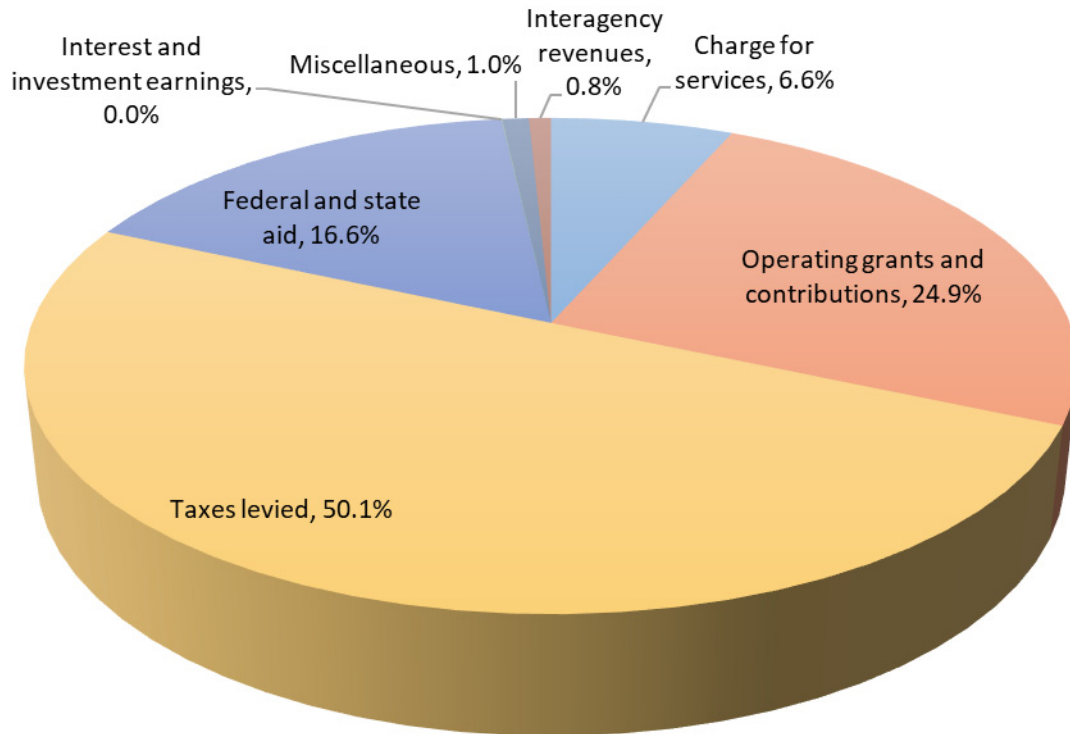
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

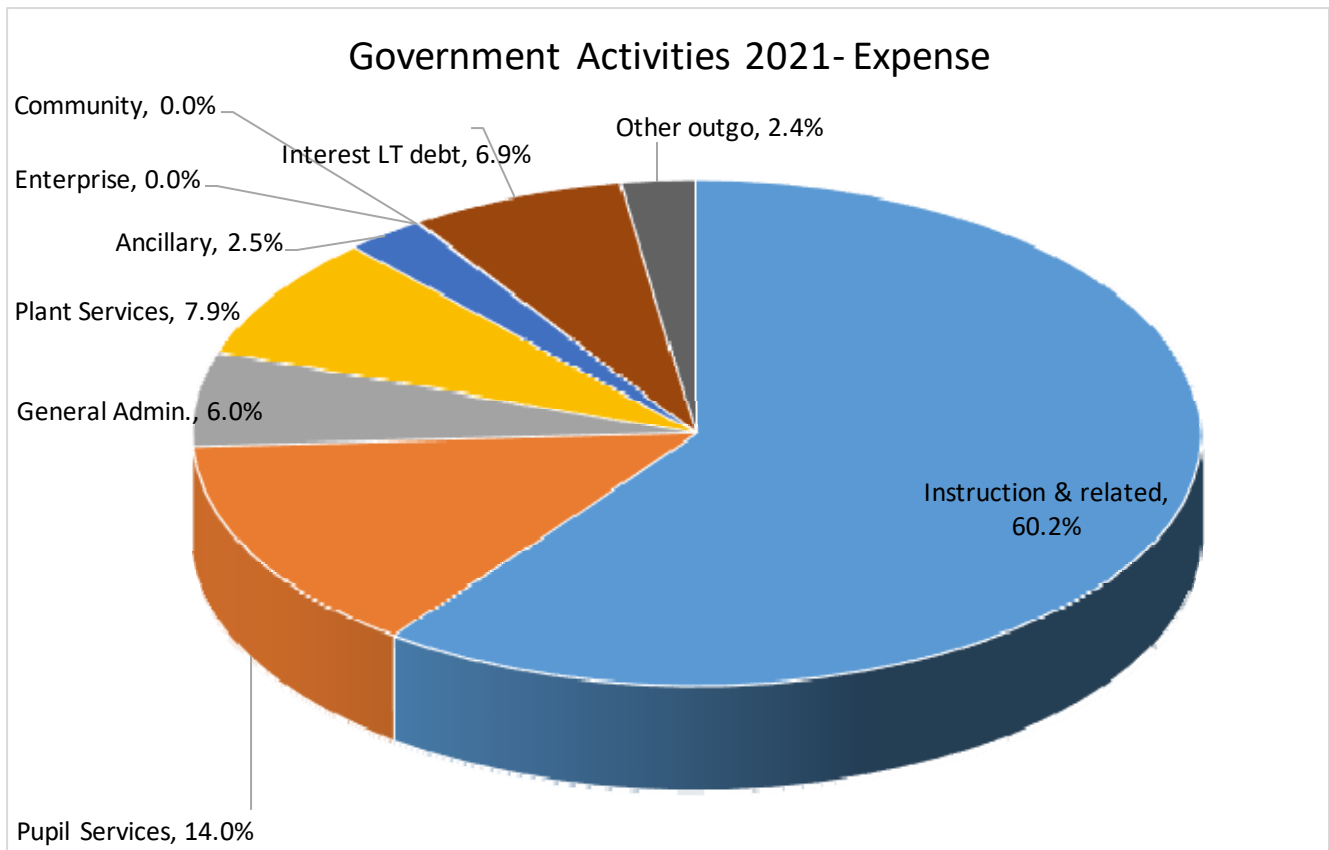
Comparative Statement of Activities		
	2021	2020
Program Revenues		
Charge for services	\$ 12,271,260	\$ 9,492,748
Operating grants and contributions	44,034,227	22,628,764
Capital grants and contributions	2,063,039	-
General Revenues		
Taxes levied	92,823,946	90,025,161
Federal and state aid	30,727,394	35,119,373
Interest and investment earnings	36,495	1,448,354
Miscellaneous	1,788,538	1,702,333
Interagency revenues	1,476,530	1,521,825
Total Revenue	185,221,429	161,938,558
Program Expenses		
Instruction & related	101,003,493	97,702,152
Pupil Services	23,468,808	22,358,860
General Admin.	10,108,163	8,839,675
Plant Services	13,322,822	12,948,320
Ancillary	4,239,817	2,597,825
Community	24,704	125,653
Enterprise	63,075	159,089
Interest LT debt	11,549,020	11,268,001
Other outgo	4,010,833	3,559,040
Total Expenses	167,790,735	159,558,615
GASB 84 implementation	1,261,056	
Change in Net Position	\$ 18,691,750	\$ 2,379,943
Comparative Change --\$	\$ 16,311,807	n/a
Comparative Change --%	685.39%	n/a

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Government Activities 2021- Revenue



**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



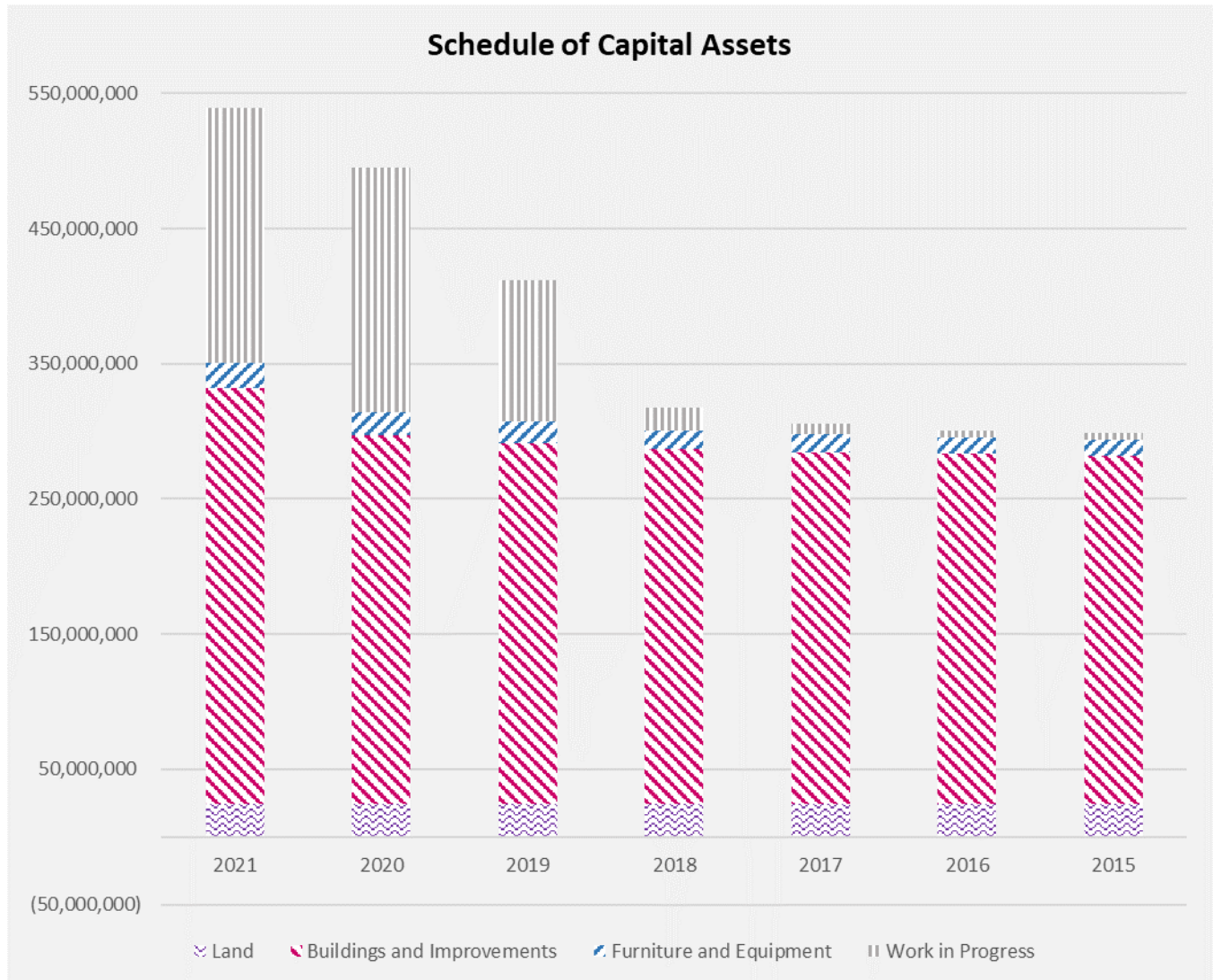
**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Comparative Schedule of Capital Assets		
	Governmental Activities	
	2021	2020
Land	\$ 24,422,982	\$ 24,422,982
Buildings and Improvements	307,843,743	272,775,466
Furniture and Equipment	18,115,437	16,986,206
Work in Progress	188,755,204	180,798,061
Subtotals	539,137,366	494,982,715
Less: Accumulated Depreciation	(116,415,618)	(109,354,376)
Capital Assets, Net	\$ 422,721,748	\$ 385,628,339
Comparative Change--\$	\$ 37,093,409	n/a
Comparative Change--%	9.62%	n/a

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)



Capital assets, net of depreciation increased by \$37,093,409, a 9.62% increase, primarily due to West Park High School.

All of the District's facilities and other assets are extremely well maintained. The capital improvement plan has consistently included modernization, upgrading, and new construction at all of our campuses such that the District's facilities overall are regarded as among the highest quality in the region.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Comparative Schedule of Long-Term Liabilities		
	Governmental Activities	
	2021	2020
General Obligation Bonds	\$ 205,863,397	\$213,949,785
General Obligation Bonds Premium	14,404,157	15,838,016
Certificates of Participation	61,150,000	-
Capital Leases	1,184,656	1,297,246
Net Pension Liability	130,851,000	123,535,000
Compensated Absences	486,283	523,921
Totals	\$ 413,939,493	\$355,143,968

The table reflects that a majority of the District's debt is issued in support of school construction to meet the District's enrollment growth. The district received updated bond ratings in June 2020 from S&P. S&P's assigned the district an overall A+ rating. The district has received similar bond ratings in the past. Bond rating agency rationale included:

- Participation in the broad and diverse Sacramento economy
- Strong to very strong property income indicators, coupled with extremely strong market value per capita
- Trend of very strong available (assigned and unassigned) reserve levels
- Stable average daily attendance (ADA) levels, which drive operating revenues under the state funding formula

Bond debt -- combined with developer fee revenue and state construction funds – has been used for:

- Prior site facility construction.
- Technology improvements to infrastructure systems.
- Various identified modernizations/additions throughout the District.
- Purchase of school site property and construction for West Park High School.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement. The district looks at the debt service agreements on an annual basis for potential savings.

Comparative Schedule of Fund Balances			
Fund (Fund #)	Fund Balances		Increase (Decrease)
	2021	2020	
General (1)	\$ 32,692,931	\$ 23,915,632	\$ 8,777,299
Student Body (08)	1,114,195	1,261,056	(146,861)
Adult Education (11)	125,438	202,394	(76,956)
Cafeteria (13)	2,718,057	770,032	1,948,025
Deferred Maintenance (14)	3,390,810	3,502,461	(111,651)
Pupil Transportation (15)	287,820	376,341	(88,521)
Building (21)	-	6,112,842	(6,112,842)
Capital Facilities (25)	41,399,719	7,079,751	34,319,968
County School Facilities (35)	711	-	711
Special Reserve (40)	1,983,667	1,722,149	261,518
Bond Interest and Redemption (51)	21,518,836	20,978,857	539,979
	<u>\$ 105,232,184</u>	<u>\$ 65,921,515</u>	<u>\$ 39,310,669</u>

As can be seen in the scheduled fund balances, the District has a number of very different funds within which District programs operate. The General Fund has historically had a fund balance in excess of the state required reserve of 3%.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The 2021/22 General Fund original budget reflects a \$203,425 deficit. The district will develop one-time and on-going spending plans in the 2021/22 fiscal year based on a three-year projection of revenues and expenses.
- The uncertainty of the continued economic effects of COVID-19.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 regarding this report or need additional financial information, contact the District Business Department, Roseville Joint Union High School District, 1750 Cirby Way, Roseville, CA 95661 or (916) 782-5096.

BASIC FINANCIAL STATEMENTS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

	Governmental <u>Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 94,292,945
Receivables	24,083,766
Stores inventory	54,428
Prepaid expenses	252,629
Other current assets	4,148
Non-depreciable capital assets (Note 4)	213,178,186
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>209,543,562</u>
Total assets	<u>541,409,664</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 7 and 8)	32,699,204
Deferred loss on refunded debt	<u>3,155,771</u>
Total deferred outflows of resources	<u>35,854,975</u>
LIABILITIES	
Accounts payable	16,090,775
Unearned revenue	877,842
Long-term liabilities (Note 5):	
Due within one year	12,986,322
Due after one year	<u>400,953,171</u>
Total liabilities	<u>430,908,110</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	<u>7,035,000</u>
NET POSITION	
Net investment in capital assets	196,905,516
Restricted:	
Legally restricted programs	10,865,798
Capital projects	3,191,867
Debt service	21,518,836
Unrestricted	<u>(93,160,488)</u>
Total net position	<u>\$ 139,321,529</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 83,576,741	\$ 145,522	\$ 26,342,759	\$ 2,063,039	\$ (55,025,421)
Instruction-related services:					
Supervision of instruction	3,156,985	17,564	758,005	-	(2,381,416)
Instructional library, media and technology	2,641,444	6,000	120,841	-	(2,514,603)
School site administration	11,628,323	12,465	1,133,265	-	(10,482,593)
Pupil services:					
Home-to-school transportation	3,677,367	-	-	-	(3,677,367)
Food services	3,611,136	10,501	5,095,607	-	1,494,972
All other pupil services	16,180,305	172,555	3,582,596	-	(12,425,154)
General administration:					
Data processing	3,407,837	-	1,341,712	-	(2,066,125)
All other general administration	6,700,326	63,997	928,518	-	(5,707,811)
Plant services	13,322,822	11,137,445	1,178,831	-	(1,006,546)
Ancillary services	4,239,817	-	1,224,873	-	(3,014,944)
Community services	24,704	-	31	-	(24,673)
Enterprise activities	63,075	-	-	-	(63,075)
Interest on long-term liabilities	11,549,020	-	-	-	(11,549,020)
Other outgo	4,010,833	705,211	2,327,189	-	(978,433)
Total governmental activities	<u>\$ 167,790,735</u>	<u>\$ 12,271,260</u>	<u>\$ 44,034,227</u>	<u>\$ 2,063,039</u>	<u>(109,422,209)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					74,616,121
Taxes levied for debt service					17,693,421
Taxes levied for other specific purposes					514,404
Federal and state aid not restricted to specific purposes					30,727,394
Interest and investment earnings					36,495
Interagency revenues					1,476,530
Miscellaneous					1,788,538
Total general revenues					<u>126,852,903</u>
Change in net position					17,430,694
Net position, July 1, 2020					120,629,779
Cumulative effect of GASB 84 implementation					1,261,056
Net Position, July 1, 2020, as restated					<u>121,890,835</u>
Net position, June 30, 2021					<u>\$ 139,321,529</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and investments:						
Cash in County Treasury	\$ 18,755,484	\$ 4,902,831	\$ 16,353,434	\$ 21,515,588	\$ 7,742,027	\$ 69,269,364
Cash on hand and in banks	34,336	-	-	-	1,140,349	1,174,685
Cash in revolving fund	10,000	-	-	-	100	10,100
Cash with fiscal agent	-	-	23,838,796	-	-	23,838,796
Receivables	22,735,614	772	516,336	3,248	827,796	24,083,766
Due from other funds	220,529	2,713,806	7,674,520	-	359,768	10,968,623
Prepaid expenditures	244,777	-	-	-	7,852	252,629
Stores inventory	-	-	-	-	54,428	54,428
Other current assets	-	-	-	-	4,148	4,148
Total assets	<u>\$ 42,000,740</u>	<u>\$ 7,617,409</u>	<u>\$ 48,383,086</u>	<u>\$ 21,518,836</u>	<u>\$ 10,136,468</u>	<u>\$ 129,656,539</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 7,947,531	\$ 65,089	\$ 4,269,424	\$ -	\$ 295,846	\$ 12,577,890
Unearned revenue	877,842	-	-	-	-	877,842
Due to other funds	<u>482,436</u>	<u>7,552,320</u>	<u>2,713,943</u>	<u>-</u>	<u>219,924</u>	<u>10,968,623</u>
Total liabilities	<u>9,307,809</u>	<u>7,617,409</u>	<u>6,983,367</u>	<u>-</u>	<u>515,770</u>	<u>24,424,355</u>
Fund balances:						
Nonspendable	254,777	-	-	-	62,380	317,157
Restricted	3,291,858	-	41,399,719	21,518,836	9,558,318	75,768,731
Assigned	2,688,795	-	-	-	-	2,688,795
Unassigned	<u>26,457,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,457,501</u>
Total fund balances	<u>32,692,931</u>	<u>-</u>	<u>41,399,719</u>	<u>21,518,836</u>	<u>9,620,698</u>	<u>105,232,184</u>
Total liabilities and fund balances	<u>\$ 42,000,740</u>	<u>\$ 7,617,409</u>	<u>\$ 48,383,086</u>	<u>\$ 21,518,836</u>	<u>\$ 10,136,468</u>	<u>\$ 129,656,539</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - Governmental Funds	\$ 105,232,184
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$539,137,366 and the accumulated depreciation is \$116,415,618 (Note 4).	422,721,748
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2020 consisted of (Note 5):

General Obligation Bonds	\$	(192,425,420)	
Accreted interest		(13,437,977)	
Unamortized premiums		(14,404,157)	
Certificates of Participation		(61,150,000)	
Capitalized Lease Obligations		(1,184,656)	
Net pension liability (Notes 7 and 8)		(130,851,000)	
Compensated absences		(486,283)	
			(413,939,493)

In governmental funds, deferred inflows and deferred outflows of resources resulting from defeasance of debt are not recorded. In governmental activities, for advance refundings resulting in defeasance of debt reported in governmental activities, the difference between reacquisition price and the net carrying amount of the retired debt are reported as deferred inflows or deferred outflows of resources.	3,155,771
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In government 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 (Notes 7 and 8).

Deferred outflows of resources relating to pensions	\$	32,699,204	
Deferred inflows of resources relating to pensions		(7,035,000)	
			25,664,204

Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in governmental funds.	(3,512,885)
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Total net position - governmental activities	\$ 139,321,529
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See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Local Control Funding Formula (LCFF):						
State apportionment	\$ 37,156,762	\$ -	\$ -	\$ -	\$ 108,275	\$ 37,265,037
Local sources	65,540,553	-	-	-	-	65,540,553
Total LCFF	102,697,315	-	-	-	108,275	102,805,590
Federal sources	10,431,435	-	-	-	5,173,334	15,604,769
Other state sources	19,709,687	-	-	960,414	5,993,409	26,663,510
Other local sources	9,325,712	(434)	11,841,323	16,794,491	1,108,291	39,069,383
Total revenues	142,164,149	(434)	11,841,323	17,754,905	12,383,309	184,143,252
Expenditures:						
Current:						
Certificated salaries	61,429,591	-	-	-	925,382	62,354,973
Classified salaries	18,653,875	-	351,549	-	1,507,224	20,512,648
Employee benefits	31,408,174	-	132,273	-	793,948	32,334,395
Books and supplies	7,762,331	23,800	11,792	-	1,799,316	9,597,239
Contract services and operating expenditures	11,484,324	7,518	1,365,465	-	931,290	13,788,597
Other outgo	891,046	-	-	-	2,329,997	3,221,043
Capital outlay	1,365,138	10,833,061	31,323,853	-	569,507	44,091,559
Debt service:						
Principal retirement	47,245	-	-	9,702,150	139,905	9,889,300
Interest	8,491	-	1,093,821	7,512,776	37,599	8,652,687
Total expenditures	133,050,215	10,864,379	34,278,753	17,214,926	9,034,168	204,442,441
Excess (deficiency) of revenues over (under) expenditures	9,113,934	(10,864,813)	(22,437,430)	539,979	3,349,141	(20,299,189)
Other financing sources (uses):						
Transfers in	219,924	4,751,971	120,000	-	668,968	5,760,863
Transfers out	(580,000)	-	(2,897,900)	-	(2,282,963)	(5,760,863)
Proceeds from capital leases	23,441	-	-	-	51,119	74,560
Proceeds from the issuance of COPs	-	-	61,150,000	-	-	61,150,000
Debt issuance discount	-	-	(1,614,702)	-	-	(1,614,702)
Total other financing sources (uses)	(336,635)	4,751,971	56,757,398	-	(1,562,876)	59,609,858
Net change in fund balances	8,777,299	(6,112,842)	34,319,968	539,979	1,786,265	39,310,669
Fund balances, July 1, 2020	23,915,632	6,112,842	7,079,751	20,978,857	6,573,377	64,660,459
Cumulative effect of GASB 84 implementation	-	-	-	-	1,261,056	1,261,056
Fund balance, July 1, 2020, as restated	23,915,632	6,112,842	7,079,751	20,978,857	7,834,433	65,921,515
Fund balances, June 30, 2021	\$ 32,692,931	\$ -	\$ 41,399,719	\$ 21,518,836	\$ 9,620,698	\$ 105,232,184

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net change in fund balances - Total Governmental Funds	\$ 39,310,669
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	44,103,549
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(7,068,242)
In governmental funds, donated capital assets are not reported because they do not affect current financial resources. In the government-wide statements, donated capital assets are reported as revenue and as an increase to capital assets. The fair market value of capital assets donated was (Note 4):	64,174
If planned capital project is canceled and will not be completed costs previously capitalized as Work in Progress must be written off to expense. Costs written off to canceled projects were (Note 4):	(6,072)
In governmental funds the proceeds from debt are recognized as Other Financing Sources. In the government-wide statements proceeds from debt are recorded as increases in liabilities (Note 5).	(61,224,560)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds but decreases the long-term liabilities in the statement of net position (Note 5).	9,889,300
Accretion of interest is not recorded in government funds. It increases the long-term liabilities in the Statement of Net Position (Note 5).	(1,615,762)
Amortization of debt issue premium and loss on refunding is recognized in the period incurred in the governmental funds but in the government-wide statements the premium or discount and loss on refunding is amortized as interest over the life of the debt (Note 5).	661,136

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Unmatured interest on long-term liabilities is not recognized in the governmental funds until the period it is incurred, but is recognized as an expense in the period it becomes due on the statement of net position.

\$ (344,492)

Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was (Notes 7 and 8).

(6,376,644)

In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 5).

37,638

Change in net position of governmental activities

\$ 17,430,694

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUND
June 30, 2021

	Scholarship <u>Fund</u>
ASSETS	
Cash and investments (Note 2):	
Cash in County Treasury	\$ 597,414
Receivables	<u> 119</u>
Total assets	<u> 597,533</u>
LIABILITIES	
Account Payable	<u> 28</u>
NET POSITION	
Net position - restricted	<u><u> \$ 597,505</u></u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND
For the Year Ended June 30, 2021

	Scholarship <u>Fund</u>
Additions:	
Other local sources	\$ 168,015
Deductions:	
Contract services and operating expenditures	<u>164,668</u>
Change in net position	3,347
Net position, July 1, 2020	<u>594,158</u>
Net position, June 30, 2021	<u>\$ 597,505</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity: The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District receives funding from local, state and federal governmental sources and must comply with all the requirements of these funding source entities.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District and the Roseville Joint Union High School District Financing Corporation (the "Corporation") have a financial and operational relationship that meets the reporting entity definition criteria for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy the inclusion criteria:

Accountability

1. The Corporation's Board of Directors were appointed by the District's Board of Trustees.
2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
 - The District exercises significant influence over operations of the Corporation, as the District is the sole lessee of all facilities owned by the Corporation. Likewise, the District's lease payments are the sole revenue source of the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - Any deficits incurred by the Corporation will be reflected in the lease payments of the District.
 - Any surpluses of the Corporation revert to the District at the end of the lease period.
 - The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scope of Public Service - The Corporation is a nonprofit public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in June 1991. The Corporation was formed for the sole purpose of providing financing assistance to the District for construction and acquisition of Woodcreek High School. The District occupies all Corporation facilities under lease-purchase agreements. At the end of the lease term, title to all Corporation property will pass to the District for no additional consideration.

Financial Presentation - For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The basic financial statements present the Corporation's financial activity within the General Fund.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Custodial funds are not included in the government-wide financial statements. Custodial funds are reported only in the Statement of Fiduciary Assets and Liabilities.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program Revenues - Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of Indirect Expenses - The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

A - Major Funds:

General Fund: The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Building Fund: The Building Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

Capital Facilities Fund: The Capital Facilities 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. The authority for these levies may be county/city ordinances or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund.

Bond Interest and Redemption Fund: The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

B - Other Funds:

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This classification includes the Student Activity, Adult Education, Cafeteria, Deferred Maintenance and Pupil Transportation Equipment Funds.

Capital Projects Funds: The Capital Projects Funds are capital projects funds, used to account for resources used for the acquisition and construction of capital facilities by the District. This classification includes the County School Facilities and Special Reserve for Capital Outlay Projects Fund.

Scholarship Fund: The Scholarship Fund is a trust fund used to account for assets held by the District as Trustee, to provide financial assistance to students of the District.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible in the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees complied with these requirements.

Receivables: Receivables are generally made up of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2021.

Stores Inventory: Stores inventory in the Cafeteria Fund is valued at latest invoice cost and consists primarily of consumable supplies. No inventory records are maintained throughout the year. A physical inventory is performed on June 30 and the inventory and expense account balances are adjusted to reflect the physical count at year end.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes 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(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Also, the District has recognized a deferred outflow of resources relate to recognition of the net pension liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability reported which is in the Statement of Net Position.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate.

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 24,414,764	\$ 8,284,440	\$ 32,699,204
Deferred inflows of resources	\$ 7,035,000	-	\$ 7,035,000
Net pension liability	\$ 95,330,000	\$ 35,521,000	\$ 130,851,000
Pension expense	\$ 19,520,110	\$ 6,906,961	\$ 26,427,071

Compensated Absences: Compensated absences totaling \$486,283 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken since such benefits do not vest nor is payment probable; however, sick leave benefits are accumulated for each employee and unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRP and PERF B employees when the employee retires.

Unearned Revenues: Revenues from federal, state and local special projects and programs are recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for scholarships represents the portion of net position available for the payment of scholarships. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. Unrestricted Net Position – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, Fund Balance Reporting and Governmental Fund Type Definitions (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance: The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance: 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. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

C - Committed Fund Balance: The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. 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. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. As of June 30, 2021 the District had no committed fund balance.

D - Assigned Fund Balance: The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances. However, as of June 30, 2021 no such designation has occurred.

E - Unassigned Fund Balance: 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.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. 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.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements if they have been adopted by the Board of Trustees. At June 30, 2021, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 15 and March 15. Unsecured property taxes are due in one installment on or before August 31. The Counties of Sacramento and Placer bill and collect taxes for the District. Tax revenues are recognized by the District when received.

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

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

New Accounting Pronouncements: In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restated its beginning net position of governmental activities as well as the aggregate remaining fund information beginning fund balance for a total of \$1,261,056.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2021 consisted of the following:

	Governmental <u>Activities</u>	Fiduciary <u>Activities</u>
Pooled Funds:		
Cash in County Treasury	\$ 69,269,364	\$ 597,414
Deposits		
Cash on hand and in banks	1,174,685	-
Cash with fiscal agent	23,838,796	-
Revolving cash fund	10,100	-
Total	<u>\$ 94,292,945</u>	<u>\$ 597,414</u>

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 - CASH AND INVESTMENTS (Continued)

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Placer County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value 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.

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

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

Deposits: Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the District's accounts was \$1,184,785, and the bank balance was \$1,309,131, of which \$250,000 was fully covered by the FDIC insurance and \$1,059,131 was uninsured.

Cash with Fiscal Agent: Cash with Fiscal Agent represents cash balances held by Bank of NY Mellon for the proceeds of the issued Certificates of Participation. The cash balances are fully collateralized at June 30, 2021.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentration of credit risk.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2021 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 220,529	\$ 482,436
Building	2,713,806	7,552,320
Capital Facilities	7,674,520	2,713,943
Non-Major Funds:		
Adult Education	8,275	57,382
Cafeteria	-	162,542
Deferred Maintenance	351,493	-
Totals	<u>\$ 10,968,623</u>	<u>\$ 10,968,623</u>

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfers for the 2020-2021 fiscal year were as follows:

Transfer from the General Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	\$ 100,000
Transfer from the General Fund to the Capital Facilities Fund for the transfer of redevelopment revenues.	120,000
Transfer from the General Fund to the Special Reserve for Capital Outlay Projects Fund for repair/maintenance/replacement of track and fields.	260,000
Transfer from the General Fund to the Special Reserve for Capital Outlay Projects Fund for replacement and modernization of large co-curricular equipment.	100,000
Transfer from Capital Facilities Fund to the Building Fund for reimbursement for eligible school construction project costs under Proposition 51 construction bond funds.	2,688,932
Transfer from County School Facilities Fund to the Building Fund for reimbursement for eligible school construction project costs under Proposition 51 construction bond funds.	2,063,039
Transfer from the Capital Facilities Fund to the Deferred Maintenance Fund for COPs expenses.	208,968
Transfer from the Adult Education Fund to the General Fund for indirect costs.	57,382
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	162,542
Totals	<u>\$ 5,760,863</u>

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2021 is shown below:

	Balance July 1, <u>2020</u>	Additions and <u>Transfers</u>	Deletions and <u>Transfers</u>	Balance June 30, <u>2021</u>
Non-depreciable:				
Land	\$ 24,422,982	\$ -	\$ -	\$ 24,422,982
Work-in-process	180,798,061	42,290,314	34,333,171	188,755,204
Depreciable:				
Improvement of sites	12,642,105	24,065,536	-	36,707,641
Buildings	260,133,361	11,002,741	-	271,136,102
Equipment	<u>16,986,206</u>	<u>1,136,231</u>	<u>7,000</u>	<u>18,115,437</u>
Totals, at cost	<u>494,982,715</u>	<u>78,494,822</u>	<u>34,340,171</u>	<u>539,137,366</u>
Less accumulated depreciation:				
Improvement of sites	(4,752,970)	(463,178)	-	(5,216,148)
Buildings	(91,900,469)	(5,395,318)	-	(97,295,787)
Equipment	<u>(12,700,937)</u>	<u>(1,209,746)</u>	<u>(7,000)</u>	<u>(13,903,683)</u>
Total accumulated depreciation	<u>(109,354,376)</u>	<u>(7,068,242)</u>	<u>(7,000)</u>	<u>(116,415,618)</u>
Capital assets, net	<u>\$ 385,628,339</u>	<u>\$ 71,426,580</u>	<u>\$ 34,333,171</u>	<u>\$ 422,721,748</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 3,937,154
Supervision of instruction	133,231
Instructional library, media and technology	138,250
School site administration	532,771
Home-to-school transportation	166,989
Food services	170,517
All other pupil services	754,728
Ancillary services	155,627
Community services	1,209
Enterprise activities	3,087
All other general administration	309,871
Centralized data processing	159,106
Plant services	<u>605,702</u>
Total depreciation expense	<u>\$ 7,068,242</u>

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds and Capital Appreciation Bonds: In July 1998, the District issued 1992 General Obligation Bonds, Series 1998C, in the amount of \$4,995,895. Bond proceeds were used for land acquisition and the construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.5% to 5.3% and are scheduled to mature through 2024.

In July 1999, the District issued 1992 General Obligation Bonds, Series 1999D, in the amount of \$3,000,841. Bond proceeds were used for land acquisition and construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.6% to 5.65% and are scheduled to mature through 2025.

In April 2007, the District issued 2004 General Obligation Bonds, Series C, in the amount of \$27,997,959. Bond proceeds were used for construction, renovation and repair of District facilities. The Current Interest Bonds of \$10,335,000 carried interest rates ranging from 4.0% to 5.0% and were paid off during the year ended June 30, 2017. The Capital Appreciation Bonds carry interest rates ranging from 4.59% to 4.66% and are scheduled to mature through 2032.

In May 2011, the District issued 2007 General Obligation Bonds, Series 2011A, in the amount of \$4,885,624. Bond proceeds were used for the purchase of land for a future high school. The Current Interest Bonds of \$3,805,000 carried interest rates ranging from 2.0% to 5.85% and were paid off during the year ended June 30, 2017. The Capital Appreciation Bonds carry interest rates ranging from 7.86% to 12.00% and are scheduled to mature from 2016 through 2040.

On August 2011, the District issued at par \$8,020,000 of 2011 General Obligation Refunding Bonds for the purpose of refunding \$8,745,000 of then outstanding 1992 General Obligation Bonds, Series E. The refunded 1992 General Obligation, Series E bore interest rates ranging from 4.0% to 5.2% and were also due in level principal amounts, with the final payment due August 1, 2026. The 2011 General Obligation Refunding were partially refunded with the issuance of the 2016 General Obligation Refunding Bonds, Series A. The 2011 General Obligation Refunding Bonds bear interest rates ranging from 4.0% to 5.0%, with the final payment due August 1, 2021.

On April 2013, the District issued at par \$54,185,000 of 2013 General Obligation Refunding Bonds for the purpose of refunding to advance refund a portion of the District's outstanding Election of 2004 General Obligation Bonds, Series A; 2004 Series B; and 2004 Series C. The total par value of the refunded bonds was \$57,460,000. The 2013 General Obligation Refunding Bonds bear interest rates ranging from 2.0% to 5.0% and will be repaid in level principal amounts, with the final payment due August 1, 2024.

In September 2016, the District issued 2016 General Obligation Bonds, Series 2016A, in the amount of \$3,800,000. Bond proceeds were used to refund a portion of the outstanding 2011 General Obligation Bonds Refunding Bonds, and pay the costs associated with the issuance of the 2016 General Obligation Bonds, Series A refunding bonds. The Current Interest Bonds carry interest rates ranging from 2% to 4% and are scheduled to mature through 2027. On June 30, 2018, \$3,660,000 of bonds outstanding were considered defeased.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES (Continued)

In September 2016, the District issued 2016 General Obligation Bonds, Series 2016B, in the amount of \$5,872,856. Bond proceeds were used to refund a portion of the outstanding 2007 General Obligation Bonds, Series 2011A, and pay the costs associated with the issuance of the 2016 General Obligation Bonds, Series B refunding bonds. The Current Interest Bonds carry interest rates ranging from 2% to 3% and are scheduled to mature through 2038. The Capital Appreciation Bonds carry yields ranging from 3.00% to 3.22% and are scheduled to mature from 2030 through 2035. On June 30, 2017, \$5,482,550 of bonds outstanding were considered defeased.

In January 2017 the District issued 2016 General Obligation Bonds, Series A, in the amount of \$50,000,000. Bond proceeds were used to acquire, construct, renovate, and equip the District's sites and facilities, and to pay the costs of issuing the School Facilities Improvement Bond. The Current Interest Bonds carry interest rates ranging from 4.0% to 5.0% and are scheduled to mature through 2046.

In January 2017 the District issued 2007 General Obligation Bonds, Series 2017 School Facilities Improvement District No. 1, in the amount of \$10,000,000. Bond proceeds were used to acquire, construct, renovate, and equip the District's sites and facilities, and to pay the costs of issuing the bond. The Current Interest Bonds carry interest rates ranging from 3.0% to 5.0% and are scheduled to mature through 2047.

In November 2018 the District issued 2016 General Obligation Bonds, Series B, in the amount of \$35,000,000. Bond proceeds were used to acquire, construct, renovate, and equip the District's sites and facilities, and to pay the costs of issuing the School Facilities Improvement Bond. The Current Interest Bonds carry interest rate of 5.0% and are scheduled to mature through 2041.

In November 2018 the District issued 2007 General Obligation Bonds, Series C, in the amount of \$38,228,182. Bond proceeds were used to acquire, construct, renovate, and equip the District's sites and facilities, and to pay the costs of issuing the bond. The Current Interest portion carry interest rates ranging from 3.0% to 5.0% and are scheduled to mature through 2047. The Capital Appreciation portion carry interest rates from 2.53% to 4.43% and are scheduled to mature through 2044.

In February 2020 the District issued 2016 General Obligation Bonds, Series C, in the amount of \$11,000,000. Bond proceeds were used to acquire, construct, renovate, and equip the District's sites and facilities, and to pay the costs of issuing the School Facilities Improvement Bond. The Current Interest Bonds carry interest rate ranging from 3.0% to 4.0% and are scheduled to mature through August 2040.

In February 2020 the District issued 2007 General Obligation Bonds, Series D, in the amount of \$10,898,249. Bond proceeds were used to acquire, construct, renovate, and equip the District's sites and facilities, and to pay the costs of issuing the bond. The Current Interest portion carry interest rates ranging from 3.0% to 4.25% and are scheduled to mature through 2031. The Capital Appreciation portion carry interest rates from 2.24% to 2.96% and are scheduled to mature through August 2046.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES (Continued)

<u>Date of Issuance</u>	<u>Interest Rate Percent</u>	<u>Maturity Date</u>	<u>Amount of Original Issuance</u>	<u>Outstanding July 1, 2020</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>
Current Interest Bonds:							
2011	4.0 - 5.0	2022	\$ 8,020,000	\$ 1,120,000	\$ -	\$ 535,000	\$ 585,000
2013	2.0 - 5.0	2025	54,185,000	30,595,000	-	6,270,000	24,325,000
2016AR	2.0 - 4.0	2027	3,800,000	3,665,000	-	40,000	3,625,000
2016BR	2.0 - 3.0	2038	4,430,000	4,255,000	-	50,000	4,205,000
2016A	4.0 - 5.0	2046	50,000,000	44,495,000	-	2,355,000	42,140,000
2017	3.0 - 5.0	2047	10,000,000	9,660,000	-	-	9,660,000
2019B	5.0	2041	35,000,000	35,000,000	-	180,000	34,820,000
2019C	3.0 - 3.5	2047	15,965,000	15,965,000	-	-	15,965,000
2016C	3.0 - 4.0	2041	11,000,000	11,000,000	-	-	11,000,000
2007D	2.24 - 4.25	2047	5,290,000	5,290,000	-	-	5,290,000
Capital Appreciation Bonds:							
1998C	4.5 - 5.3	2024	4,995,895	585,732	-	153,317	432,415
1999D	4.6 - 5.65	2025	3,000,841	425,064	-	89,749	335,315
2004C	4.59 - 4.66	2032	10,622,959	10,622,959	-	-	10,622,959
2007D	2.24 - 2.96	2044	5,608,249	5,608,249	-	-	5,608,249
2011A	7.86 - 12.00	2040	1,080,624	134,528	-	29,084	105,444
2016BR	3.0 - 3.22	2035	1,442,856	1,442,856	-	-	1,442,856
2019C	3.5 - 4.4	2044	22,263,182	22,263,182	-	-	22,263,182
			<u>\$ 265,734,890</u>	<u>\$ 202,127,570</u>	<u>\$ -</u>	<u>\$ 9,702,150</u>	<u>\$ 192,425,420</u>

The annual requirements to amortize the general obligation bonds and capital appreciation bonds payable outstanding as of June 30, 2021, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,761,625	\$ 8,171,800	\$ 18,933,425
2023	9,944,736	7,520,950	17,465,686
2024	10,931,936	6,866,975	17,798,911
2025	5,095,046	6,658,200	11,753,246
2026	4,481,847	6,367,950	10,849,797
2027-2031	24,895,474	29,830,064	54,725,538
2032-2036	31,236,629	24,893,891	56,130,520
2037-2041	44,071,558	17,369,819	61,441,377
2042-2046	42,536,569	9,141,394	51,677,963
2047-2048	<u>8,470,000</u>	<u>953,037</u>	<u>9,423,037</u>
	<u>\$ 192,425,420</u>	<u>\$ 117,774,080</u>	<u>\$ 310,199,500</u>

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Certificates of Participation: In July 2020, the District issued 2020 Certificates of Participation, in the amount of \$61,150,000. Proceeds were used for financing capital improvements to District sites and facilities. The Certificates of Participation interest and yield vary, ranging from 1.000% to 2.625% and are scheduled to mature through 2050.

The annual requirements to amortize the certificates of participation outstanding as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 1,325,844	\$ 1,325,844
2023	-	1,325,844	1,325,844
2024	1,775,000	1,325,844	3,100,844
2025	1,795,000	1,308,094	3,103,094
2026	1,810,000	1,290,144	3,100,144
2027-2031	9,385,000	6,128,431	15,513,431
2032-2036	10,270,000	5,237,744	15,507,744
2037-2041	11,505,000	4,013,588	15,518,588
2042-2046	12,980,000	2,532,969	15,512,969
2047-2050	11,630,000	773,063	12,403,063
	<u>\$ 61,150,000</u>	<u>\$ 25,261,565</u>	<u>\$ 86,411,565</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2021 is shown below:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Bonds	\$ 202,127,570	\$ -	\$ 9,702,150	\$ 192,425,420	\$ 10,761,625
Accreted interest	11,822,215	2,198,612	582,850	13,437,977	-
Unamortized premiums	15,838,016	-	1,433,859	14,404,157	1,544,965
Certificates of Participation	-	61,150,000	-	61,150,000	-
Capitalized lease obligations	1,297,246	74,560	187,150	1,184,656	193,449
Net pension liability (Notes 7 and 8)	123,535,000	7,316,000	-	130,851,000	-
Compensated absences	523,921	-	37,638	486,283	486,283
	<u>\$ 355,143,968</u>	<u>\$ 70,739,172</u>	<u>\$ 11,943,647</u>	<u>\$ 413,939,493</u>	<u>\$ 12,986,322</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the capitalized lease obligations are made from the General Fund and the Pupil Transportation Fund. Payments on compensated absences are made from the Fund for which the related employee worked.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2021 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:						
Revolving cash fund	\$ 10,000	\$ -	\$ -	\$ -	\$ 100	\$ 10,100
Prepaid expenditures	244,777	-	-	-	7,852	252,629
Stores inventory	-	-	-	-	54,428	54,428
Subtotal nonspendable	254,777	-	-	-	62,380	317,157
Restricted:						
Legally restricted programs:						
Grants	3,291,858	-	-	-	-	3,291,858
Student body activities	-	-	-	-	1,114,195	1,114,195
Cafeteria	-	-	-	-	2,655,777	2,655,777
Deferred Maintenance	-	-	-	-	3,390,810	3,390,810
Other	-	-	-	-	413,158	413,158
Capital projects	-	-	41,399,719	-	1,984,378	43,384,097
Debt service	-	-	-	21,518,836	-	21,518,836
Subtotal restricted	3,291,858	-	41,399,719	21,518,836	9,558,318	75,768,731
Assigned:						
West Park High School Phase 2 start up	1,500,000	-	-	-	-	1,500,000
Categorical and site-base carryover	734,338	-	-	-	-	734,338
West Park High School Phase 1	454,457	-	-	-	-	454,457
Subtotal assigned	2,688,795	-	-	-	-	2,688,795
Unassigned:						
Designated for economic uncertainty	8,004,948	-	-	-	-	8,004,948
Undesignated	18,452,553	-	-	-	-	18,452,553
Subtotal unassigned	26,457,501	-	-	-	-	26,457,501
Total fund balances	\$ 32,692,931	\$ -	\$ 41,399,719	\$ 21,518,836	\$ 9,620,698	\$ 105,232,184

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- 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 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

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 up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62

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.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for any 36 consecutive months of credited service.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill required portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

Also, SB 90 appropriated future supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, Rainy-Day Budget Stabilization Fund Act which passed in 2014. Accordingly, the contribution amounts are subject to change each year. For fiscal year 2019-20, CalSTRS received \$1.1 billion of supplemental state contributions pursuant to SB 90.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned \$1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the board's authority to adjust those rates starting in fiscal year 2021–22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84.

In addition, the board's rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and AB 84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2020-2021.

Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2020-2021. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Employers – 16.15 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rates effective for fiscal year 2020-2021 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Pre-AB 1469 Rate</u>	<u>Increase Per Funding Plan</u>	<u>SB 90 and AB 84 Impact⁽¹⁾</u>	<u>Total</u>
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	(2)	(2.180%)	(2)
July 1, 2022 to June 30, 2046	8.250%	(2)	N/A	(2)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) Pursuant to AB 84, the fiscal year 2018-19 state contribution of approximately \$2.2 billion made in advance on behalf of employers will be used to pay the contributions required by employers for the 2019-20, 2020-21 and 2021-22 fiscal years, such that employers will remit 1.030%, 2.950% and 2.180% less, respectively, than is required by the CalSTRS Funding Plan.

(2) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$9,518,764 to the plan for the fiscal year ended June 30, 2021.

State – 10.328 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state's base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045-46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2020-21 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>AB 1469 Increase For 1990 Benefit Structure</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2020	2.017%	5.811%	2.50%	10.328% ⁽²⁾
July 01, 2021	2.017%	5.811% ⁽³⁾	2.50%	10.328% ⁽²⁾
July 01, 2022 to June 30, 2046	2.017%	⁽⁴⁾	2.50%	⁽⁴⁾
July 01, 2046	2.017%	⁽⁵⁾	2.50%	⁽⁵⁾

(1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.

(2) This rate does not include the impacts of supplemental state contributions pursuant to SB 90.

(3) In May 2020, the board exercised its limited authority to increase the state contribution rate by 0.5% of the creditable compensation effective July 1, 2020. However, pursuant to AB 84, the state suspended the board's rate-setting authority for state contributions for fiscal year 2020–21, thereby negating the board's rate increase of 0.5%.

(4) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0%. The board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to zero percent.

(5) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	\$ 95,330,000
State's proportionate share of the net pension liability associated with the District	<u>52,097,000</u>
Total	<u>\$ 147,427,000</u>

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2020, the District's proportion was .098 percent, which was a decrease of .004 percent from its proportion measured as of June 30, 2019.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$19,520,110 and revenue of \$6,908,223 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 168,000	\$ 2,688,000
Changes of assumptions	9,296,000	-
Net differences between projected and actual earnings on investments	2,264,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,168,000	4,347,000
Contributions made subsequent to measurement date	9,518,764	-
Total	<u>\$ 24,414,764</u>	<u>\$ 7,035,000</u>

\$9,518,764 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ 816,083
2023	\$ 2,746,083
2024	\$ 4,008,584
2025	\$ 1,191,250
2026	\$ (420,000)
2027	\$ (481,000)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. 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 increase 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 STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

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

* 20-year geometric average

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:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 144,030,000</u>	<u>\$ 95,330,000</u>	<u>\$ 55,121,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

(Continued)

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

General Information about the Public Employer’s Retirement Fund B

Plan Description: The schools’ cost-sharing multiple-employer defined benefit pension plan Public Employer’s Retirement Fund B (PERF B) is administered by the California Public Employees’ Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter, and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

<https://www.calpers.ca.gov/docs/forms-publications/cafr-2020.pdf>.

Benefits Provided: The benefits for the defined benefit plans 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 (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2021 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2020-2021.

Employers - The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed \$3,623,440 to the plan for the fiscal year ended June 30, 2021.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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

At June 30, 2021, the District reported a liability of \$35,521,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2020 the District's proportion was 0.116 percent, which was an increase of 0.010 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$6,906,961. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,762,000	\$ -
Changes of assumptions	130,000	-
Net differences between projected and actual earnings on investments	739,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,030,000	-
Contributions made subsequent to measurement date	<u>3,623,440</u>	<u>-</u>
Total	<u>\$ 8,284,440</u>	<u>\$ -</u>

\$3,623,440 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2022	\$ 1,695,167
2023	\$ 1,463,167
2024	\$ 1,162,166
2025	\$ 340,500

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

Valuation Date	June 30, 2019
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

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.

<u>Asset Class</u>	<u>Long-Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years (1-10)⁽¹⁾</u>	<u>Expected Real Rate of Return Years 11+⁽²⁾</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period.

(2) An expected inflation rate of 2.92% used for this period.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District’s proportionate share of the net pension liability	<u>\$ 51,068,000</u>	<u>\$ 35,521,000</u>	<u>\$ 22,618,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - JOINT POWERS AGREEMENTS

Schools Insurance Group: The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The Authority is governed by a Governing Board consisting of representatives of member districts. The Governing Board controls the operations of SIG, including selections of management and approval of operating budgets. The JPA provide first dollar coverage and insure risk up to statutory limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal year. There have been no significant reductions in insurance coverage from coverage in the prior year.

Condensed financial information for SIG for the year ended June 30, 2020 (most recent information available):

Total assets	\$ 111,774,531
Deferred outflows of resources	\$ 288,284
Total liabilities	\$ 41,450,340
Deferred inflows of resources	\$ 73,223
Total net position	\$ 70,539,252
Total revenues	\$ 98,672,583
Total expenditures	\$ 94,629,709
Change in net position	\$ 4,042,874

NOTE 10 - CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

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

Construction Commitments: As of June 30, 2021, the District has \$43,100,000 in outstanding commitments on construction contracts.

REQUIRED SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 42,833,412	\$ 37,156,762	\$ 37,156,762	\$ -
Local sources	<u>62,868,037</u>	<u>65,541,055</u>	<u>65,540,553</u>	<u>(502)</u>
Total LCFF	<u>105,701,449</u>	<u>102,697,817</u>	<u>102,697,315</u>	<u>(502)</u>
Federal sources	4,879,025	21,340,959	10,431,435	(10,909,524)
Other state sources	10,713,433	20,067,534	19,709,687	(357,847)
Other local sources	<u>8,954,286</u>	<u>10,463,855</u>	<u>9,325,712</u>	<u>(1,138,143)</u>
Total revenues	<u>130,248,193</u>	<u>154,570,165</u>	<u>142,164,149</u>	<u>(12,406,016)</u>
Expenditures:				
Current:				
Certificated salaries	59,328,502	62,021,432	61,429,591	591,841
Classified salaries	18,869,906	19,363,429	18,653,875	709,554
Employee benefits	31,719,071	32,110,328	31,408,174	702,154
Books and supplies	6,383,836	10,751,358	7,762,331	2,989,027
Contract services and operating expenditures	17,135,693	26,254,059	11,484,324	14,769,735
Other outgo	1,153,408	1,238,505	891,046	347,459
Capital outlay	145,028	1,165,887	1,365,138	(199,251)
Debt service:				
Principal retirement	60,544	60,544	47,245	13,299
Interest	<u>11,012</u>	<u>11,106</u>	<u>8,491</u>	<u>2,615</u>
Total expenditures	<u>134,807,000</u>	<u>152,976,648</u>	<u>133,050,215</u>	<u>19,926,433</u>
(Deficiency)/excess of revenues (under)/over expenditures	<u>(4,558,807)</u>	<u>1,593,517</u>	<u>9,113,934</u>	<u>7,520,417</u>
Other financing sources (uses):				
Transfers in	322,240	322,240	219,924	(102,316)
Transfers out	(580,000)	(580,000)	(580,000)	-
Proceeds from capital lease	<u>-</u>	<u>-</u>	<u>23,441</u>	<u>23,441</u>
Total other financing sources (uses)	<u>(257,760)</u>	<u>(257,760)</u>	<u>(336,635)</u>	<u>(78,875)</u>
Net change in fund balance	<u>(4,816,567)</u>	<u>1,335,757</u>	<u>8,777,299</u>	<u>7,441,542</u>
Fund balance, July 1, 2020	<u>23,915,632</u>	<u>23,915,632</u>	<u>23,915,632</u>	<u>-</u>
Fund balance, June 30, 2021	<u>\$ 19,099,065</u>	<u>\$ 25,251,389</u>	<u>\$ 32,692,931</u>	<u>\$ 7,441,542</u>

See accompanying note to required supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.099%	0.103%	0.100%	0.097%	0.100%	0.102%	0.098%
District's proportionate share of the net pension liability	\$ 57,942,000	\$ 69,179,000	\$ 81,100,000	\$ 89,826,000	\$ 91,626,000	\$ 92,503,000	\$ 95,330,000
State's proportionate share of the net pension liability associated with the District	<u>34,988,000</u>	<u>36,588,000</u>	<u>46,173,000</u>	<u>53,140,000</u>	<u>52,460,000</u>	<u>50,467,000</u>	<u>52,097,000</u>
Total net pension liability	<u>\$ 92,930,000</u>	<u>\$ 105,767,000</u>	<u>\$ 127,273,000</u>	<u>\$ 142,966,000</u>	<u>\$ 144,086,000</u>	<u>\$ 142,970,000</u>	<u>\$ 147,427,000</u>
District's covered payroll	\$ 44,163,000	\$ 47,694,000	\$ 49,972,000	\$ 51,275,000	\$ 53,323,000	\$ 55,034,000	\$ 56,602,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	175.18%	171.83%	168.08%	168.42%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

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

All years prior to 2015 are not available.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2021

	Public Employer's Retirement Fund B Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.099%	0.105%	0.104%	0.104%	0.105%	0.106%	0.116%
District's proportionate share of the net pension liability	\$ 11,230,000	\$ 15,447,000	\$ 20,563,000	\$ 24,715,000	\$ 28,031,000	\$ 31,032,000	\$ 35,521,000
District's covered payroll	\$ 10,384,000	\$ 11,602,000	\$ 12,491,000	\$ 13,200,000	\$ 13,875,000	\$ 14,755,000	\$ 16,693,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	133.14%	164.62%	187.23%	202.03%	210.32%	212.79%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%

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

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 4,235,196	\$ 5,362,036	\$ 6,507,001	\$ 7,694,523	\$ 8,959,470	\$ 9,678,887	\$ 9,518,764
Contributions in relation to the contractually required contribution	<u>(4,235,196)</u>	<u>(5,362,036)</u>	<u>(6,507,001)</u>	<u>(7,694,523)</u>	<u>(8,959,470)</u>	<u>(9,678,887)</u>	<u>(9,518,764)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 47,694,000	\$ 49,972,000	\$ 51,275,000	\$ 53,323,000	\$ 55,034,000	\$ 56,602,000	\$ 49,836,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.69%	14.43%	16.28%	17.10%	19.10%

All years prior to 2015 are not available.

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

	Public Employer's Retirement Fund B						
	Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 1,365,626	\$ 1,479,773	\$ 1,833,247	\$ 2,154,937	\$ 2,665,105	\$ 3,291,961	\$ 3,623,440
Contributions in relation to the contractually required contribution	<u>(1,365,626)</u>	<u>(1,479,773)</u>	<u>(1,833,247)</u>	<u>(2,154,937)</u>	<u>(2,665,105)</u>	<u>(3,291,961)</u>	<u>(3,623,440)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,602,000	\$ 12,491,000	\$ 13,200,000	\$ 13,875,000	\$ 14,755,000	\$ 16,693,000	\$ 17,505,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.54%	18.06%	19.72%	20.70%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule: The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions: The Schedule of District Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10- year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rates used for the Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

<u>Assumption</u>	<u>Measurement Period</u>					
	<u>As of June 30,</u>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2021

	Student Activity Special Revenue Fund	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
ASSETS								
Cash in County Treasury	\$ -	\$ 327,551	\$ 2,101,964	\$ 3,039,585	\$ 287,774	\$ 711	\$ 1,984,442	\$ 7,742,027
Cash on hand and in banks	1,110,058	17,322	12,969	-	-	-	-	1,140,349
Cash in revolving fund	-	100	-	-	-	-	-	100
Receivables	-	92,282	734,673	482	46	-	313	827,796
Due from other fund	-	8,275	-	351,493	-	-	-	359,768
Stores inventory	-	-	54,428	-	-	-	-	54,428
Prepaid expenditures	-	-	7,852	-	-	-	-	7,852
Other current assets	4,148	-	-	-	-	-	-	4,148
Total assets	<u>\$ 1,114,206</u>	<u>\$ 445,530</u>	<u>\$ 2,911,886</u>	<u>\$ 3,391,560</u>	<u>\$ 287,820</u>	<u>\$ 711</u>	<u>\$ 1,984,755</u>	<u>\$ 10,136,468</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 11	\$ 262,710	\$ 31,287	\$ 750	\$ -	\$ -	\$ 1,088	\$ 295,846
Due to other funds	-	57,382	162,542	-	-	-	-	219,924
Total liabilities	<u>11</u>	<u>320,092</u>	<u>193,829</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>1,088</u>	<u>515,770</u>
Fund balances:								
Nonspendable	-	100	62,280	-	-	-	-	62,380
Restricted	<u>1,114,195</u>	<u>125,338</u>	<u>2,655,777</u>	<u>3,390,810</u>	<u>287,820</u>	<u>711</u>	<u>1,983,667</u>	<u>9,558,318</u>
Total fund balance	<u>1,114,195</u>	<u>125,438</u>	<u>2,718,057</u>	<u>3,390,810</u>	<u>287,820</u>	<u>711</u>	<u>1,983,667</u>	<u>9,620,698</u>
Total liabilities and fund balances	<u>\$ 1,114,206</u>	<u>\$ 445,530</u>	<u>\$ 2,911,886</u>	<u>\$ 3,391,560</u>	<u>\$ 287,820</u>	<u>\$ 711</u>	<u>\$ 1,984,755</u>	<u>\$ 10,136,468</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2021

	Student Activity Special Revenue Fund	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
Revenues:								
Local Control Funding Formula:								
State apportionment	\$ -	\$ 8,275	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 108,275
Federal sources	-	234,786	4,938,548	-	-	-	-	5,173,334
Other state sources	-	3,522,052	408,318	-	-	2,063,039	-	5,993,409
Other local sources	<u>884,329</u>	<u>206,396</u>	<u>14,548</u>	<u>439</u>	<u>350</u>	<u>711</u>	<u>1,518</u>	<u>1,108,291</u>
Total revenues	<u>884,329</u>	<u>3,971,509</u>	<u>5,361,414</u>	<u>100,439</u>	<u>350</u>	<u>2,063,750</u>	<u>1,518</u>	<u>12,383,309</u>
Expenditures:								
Current:								
Certificated salaries	4,111	921,271	-	-	-	-	-	925,382
Classified salaries	1,423	192,689	1,313,112	-	-	-	-	1,507,224
Employee benefits	-	419,101	374,847	-	-	-	-	793,948
Books and supplies	278,457	16,532	1,504,327	-	-	-	-	1,799,316
Contract services and operating expenditures	747,199	97,243	58,561	16,920	11,367	-	-	931,290
Other outgo	-	2,329,997	-	-	-	-	-	2,329,997
Capital outlay	-	14,250	-	404,138	51,119	-	100,000	569,507
Debt services:								
Principal retirement	-	-	-	-	139,905	-	-	139,905
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,599</u>	<u>-</u>	<u>-</u>	<u>37,599</u>
Total expenditures	<u>1,031,190</u>	<u>3,991,083</u>	<u>3,250,847</u>	<u>421,058</u>	<u>239,990</u>	<u>-</u>	<u>100,000</u>	<u>9,034,168</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(146,861)</u>	<u>(19,574)</u>	<u>2,110,567</u>	<u>(320,619)</u>	<u>(239,640)</u>	<u>2,063,750</u>	<u>(98,482)</u>	<u>3,349,141</u>
Other financing sources (uses):								
Transfers in	-	-	-	208,968	100,000	-	360,000	668,968
Transfers out	-	(57,382)	(162,542)	-	-	(2,063,039)	-	(2,282,963)
Proceeds from capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,119</u>	<u>-</u>	<u>-</u>	<u>51,119</u>
Total other financing sources (uses)	<u>-</u>	<u>(57,382)</u>	<u>(162,542)</u>	<u>208,968</u>	<u>151,119</u>	<u>(2,063,039)</u>	<u>360,000</u>	<u>(1,562,876)</u>
Net change in fund balances	(146,861)	(76,956)	1,948,025	(111,651)	(88,521)	711	261,518	1,786,265
Fund balances, July 1, 2020	-	202,394	770,032	3,502,461	376,341	-	1,722,149	6,573,377
Cumulative effect of GASB 84 implementation	<u>1,261,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,261,056</u>
Fund balance, July 1, 2020, as restated	<u>1,261,056</u>	<u>202,394</u>	<u>770,032</u>	<u>3,502,461</u>	<u>376,341</u>	<u>-</u>	<u>1,722,149</u>	<u>7,834,433</u>
Fund balances, June 30, 2021	<u>\$ 1,114,195</u>	<u>\$ 125,438</u>	<u>\$ 2,718,057</u>	<u>\$ 3,390,810</u>	<u>\$ 287,820</u>	<u>\$ 711</u>	<u>\$ 1,983,667</u>	<u>\$ 9,620,698</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
ORGANIZATION
June 30, 2021

Roseville Joint Union High School District was established in 1912 and is comprised of an area of approximately 108 square miles in Placer and Sacramento Counties. There were no changes in the boundaries of the District during the current year. The District is a political subdivision of the State of California. The District is currently operating six high schools, one continuation education school, one adult education school, and an independent study program.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Andrew Tagg	President	November 2022
Scott E. Huber	Vice President	November 2022
Julie Hirota	Clerk	November 2024
Pete Constant	Member	November 2024
Heidi Hall	Member	November 2024

ADMINISTRATION

John Becker
Superintendent

Joe Landon
Assistant Superintendent, Business Services

Brad Basham
Assistant Superintendent, Personnel Services

April Moore
Assistant Superintendent, Education Services

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2021

<u>Grade Level</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education - Passed through California Department of Education</u>			
	Adult Education Programs:		
84.002A	Adult Basic Education: English Literacy & Civics Education - Local Grant	14109	\$ 17,734
84.002	Adult Secondary Education (Section 231)	13978	128,056
84.002A	Adult Education: Adult Basic Education & ESL (Section 231)	14508	88,996
	Subtotal Adult Education Programs		234,786
	Special Education Cluster:		
84.027	IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	1,472,725
84.027A	IDEA Mental Health Services, Part B, Sec 611	14468	137,262
	Subtotal Special Education Cluster		1,609,987
	Title IV, Part A Programs:		
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	596,075
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	344,947
	Subtotal Title I Programs		941,022
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	14341	155,736
	Title III Programs:		
84.365A	ESEA: Title III: Limited English Proficiency (LEP)	14346	41,521
84.365	ESEA (ESSA): Title III: Immigrant Student Program		3,221
	Subtotal Title III Programs		44,742
	Title IV, Part A Programs:		
84.424	ESEA: Title IV, Part A, Student Support and Academic Enrichment Grants	15396	190,598
84.424	ESEA: Title IV, Part A, Student Support and Academic Enrichment Grant Program (SSAE)	15391	211,205
	Subtotal Title IV, Part A Programs		401,803

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education - Passed through California Department of Education</u>			
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund	15536	\$ 482,197
84.425D	Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	2,600,464
84.425	Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement	15535	164,829
84.425C	Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	15517	361,109
	Subtotal ESF Programs		<u>3,608,599</u>
84.196	ESEA: Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	14332	75,567
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	155,173
84.126A	We Can Work	N/A	<u>32,232</u>
	Total U.S. Department of Education		<u>7,259,647</u>
<u>U.S. Department of Health and Human Services - Passed through California Department of Education</u>			
93.778	Medi-Cal Admin Activities (MAA) -Medicaid Cluster	10060	<u>138,871</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
10.553	Child Nutrition: School Programs - Child Nutrition Cluster	13390	<u>3,248,559</u>
<u>U.S. Department of Treasury - Passed through California Department of Education</u>			
21.019	COVID-19: Coronavirus Relief Fund (CRF): Learning Loss Mitigation	25516	<u>2,423,228</u>
	Total Federal Programs		<u>\$ 13,070,305</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

There were no adjustments to any funds of the District.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2021
(UNAUDITED)

	(Budgeted) <u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 144,732,425	\$ 142,407,514	\$ 124,925,925	\$ 126,957,120
Expenditures	143,815,850	133,050,215	125,602,940	123,447,528
Other uses and transfers out	<u>1,120,000</u>	<u>580,000</u>	<u>1,046,830</u>	<u>911,404</u>
Total outgo	<u>144,935,850</u>	<u>133,630,215</u>	<u>126,649,770</u>	<u>124,358,932</u>
Change in fund balance	<u>\$ (203,425)</u>	<u>\$ 8,777,299</u>	<u>\$ (1,723,845)</u>	<u>\$ 2,598,188</u>
Ending fund balance	<u>\$ 32,489,506</u>	<u>\$ 32,692,931</u>	<u>\$ 23,915,632</u>	<u>\$ 25,639,477</u>
Available reserves	<u>\$ 35,037,988</u>	<u>\$ 26,457,501</u>	<u>\$ 16,741,866</u>	<u>\$ 15,989,825</u>
Designated for economic uncertainties	<u>\$ 8,696,152</u>	<u>\$ 8,004,948</u>	<u>\$ 7,588,429</u>	<u>\$ 7,448,574</u>
Undesignated fund balance	<u>\$ 26,341,836</u>	<u>\$ 18,452,553</u>	<u>\$ 9,153,437</u>	<u>\$ 8,541,251</u>
Available reserves as percentages of total outgo	<u>24.17%</u>	<u>19.80%</u>	<u>13.22%</u>	<u>12.86%</u>
Total long-term liabilities	<u>\$ 400,953,171</u>	<u>\$ 413,939,493</u>	<u>\$ 355,143,968</u>	<u>\$ 337,889,804</u>
Average daily attendance at P-2, excluding classes for adults	<u>10,270</u>	<u>9,971</u>	<u>9,971</u>	<u>9,850</u>

The General Fund fund balance has increased by \$9,651,642 over the past three years. The District projects a deficit of \$203,425 for the fiscal year ending June 30, 2022. For a district this size, the State of California recommends available reserves of at least three percent of total General Fund expenditures, transfers out and other uses. The District maintains reserves in excess of recommended levels.

The District has incurred an operating surplus in two of the past three years, and anticipates incurring an operating deficit during the 2021-2022 fiscal year.

Total long-term liabilities have increased by \$76,049,689 over the past two years.

Average daily attendance has increased by 121 over the past two years and is anticipated to increase by 299 from June 30, 2021 to the year ending June 30, 2022.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2021

<u>Charter Schools Chartered by District</u>	<u>Charter #</u>	<u>Included in District Financial Statements, or Separate Report</u>
John Adams Academy, Roseville	2061	Separate Report

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Instructional Time: The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Roseville Joint Union High School District, and is presented on the 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)*. Expenditures are recognized following, the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2021.

<u>Description</u>	<u>AL Number</u>	<u>Amount</u>
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		\$ 15,604,769
Less:		
ESSER II revenue recognized (negative expenditures in FY 2019-20)	84.425	(26,810)
CRF revenue recognized (negative expenditures in FY 2019-20)	21.019	(982,492)
Child Nutrition Program unspent funds	10.553	(1,525,162)
Reconciling items total		(2,534,464)
Total Schedule of Expenditure of Federal Awards		\$ 13,070,305

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis – Unaudited: This schedule provides trend information on fund balances, revenues, expenditures, and average daily attendance, as required by the State Controller's Office.

Schedule of Charter Schools: This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosures in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2021, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees
Roseville Joint Union High School District
Roseville, California

Report on Compliance with State Laws and Regulations

We have audited Roseville Joint Union High School District's compliance with the types of compliance requirements described in the State of California's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2021.

<u>Description</u>	<u>Procedures Performed</u>
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
California Clean Energy Jobs Act	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study – Course Based	No, see below
Attendance, for charter schools	No, see below
Mode of Instruction, for charter schools	No, see below
Nonclassroom-Based Instruction/Independent Study, for charter schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	No, see below
Charter School Facility Grant Program	No, see below

(Continued)

We did not perform any procedures related to Kindergarten Continuance because the District is a high school district and does not have any grades K-8.

We did not perform any procedures related to Early Retirement Incentive Program because the District did not offer this program.

We did not perform any procedures related to K-3 Grade Span Adjustment because the District is a high school district and does not have any grades K-3.

The District does not operate an Apprenticeship Program; therefore, we did not perform any testing of this program.

The District does not elect to be a District of Choice; therefore, we did not perform any testing of this program.

The district did not expend California Clean Energy Jobs Act Funds; therefore, we did not perform any testing of this program.

We did not perform any procedures related to Independent Study-Course Based, Attendance for charter schools, Mode of Instruction for charter schools, Nonclassroom-Based Instruction/Independent Study for charter schools, Determination of Funding for Nonclassroom-Based Instruction for charter schools, and Charter School Facility Grant Program because the District does not offer these programs.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on Roseville Joint Union High School District's compliance with state laws and regulations as listed above based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Those standards and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Roseville Joint Union High School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Roseville Joint Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of Roseville Joint Union High School District's compliance.

Basis for Qualified Opinion on Compliance with State Laws and Regulations

As described in Finding 2021-001 and 2021-002 in the accompanying Schedule of Audit Findings and Questioned Costs, Roseville Joint Union High School District did not comply with the requirements regarding Attendance and Distance Learning and Unduplicated Local Control Funding Formula Pupil Counts. Compliance with such requirements is necessary, in our opinion, for Roseville Joint Union High School District to comply with the requirements applicable to the state laws and regulations referred to above.

Qualified Opinion on Compliance with State Laws and Regulations

In our opinion, except for the noncompliance described in the Bases of Qualified Opinion paragraph, Roseville Joint Union High School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2021.

Other Matter

Roseville Joint Union High School District's response to the noncompliance finding identified in our audit is included in the accompanying Schedule of Audit Findings and Questioned Costs. Roseville Joint Union High School District's response was not subjected to the auditing procedures applied in the audit of State Compliance and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
November 29, 2021

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

Board of Trustees
Roseville Joint Union High School District
Roseville, 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 Roseville Joint Union High School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Roseville Joint Union High School District's basic financial statements, and have issued our report thereon dated November 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Roseville Joint Union High 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 Roseville Joint Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Roseville Joint Union High 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting 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.


Crowe LLP

Sacramento, California
November 29, 2021

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY UNIFORM GUIDANCE

Board of Trustees
Roseville Joint Union High School District
Roseville, California

Report on Compliance for Each Major Federal Program

We have audited Roseville Joint Union High School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Roseville Joint Union High School District's major federal programs for the year ended June 30, 2021. Roseville Joint Union High 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Roseville Joint Union High School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Roseville Joint Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Roseville Joint Union High School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Roseville Joint Union High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of Roseville Joint Union High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roseville Joint Union High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roseville Joint Union High School District's internal control over compliance.

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

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

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


Crowe LLP

Sacramento, California
November 29, 2021

FINDINGS AND RECOMMENDATIONS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

AL Number(s)

Name of Federal Program or Cluster

84.425, 84.425C, 84.425D

Covid-19: Emergency and Secondary School
Emergency Relief Fund (ESSER) I, II, GEER
Program, Child Nutrition: COVID CARES Act
Supplemental Meal Reimbursement

21.019

Covid-19: Coronavirus Relief Funding (CRF)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

STATE AWARDS

Type of auditor's report issued on compliance for state programs: Qualified

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2021-001 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE AND DISTANCE LEARNING (10000)

Criteria: Pursuant to Education Code 43504(e), a weekly engagement record is required to be maintained for students participating in distance learning that documents synchronous or asynchronous instruction for each whole or partial day of distance learning. At school sites with multiple school-periods, to the extent weekly engagement records are kept separately for pupils, weekly engagement records from each school-period must be reviewed for each pupil selected in order to verify the weekly engagement record is complete.

Condition: 48 of the 125 days sampled in the Attendance and Distance Learning compliance procedures were missing weekly engagement records for one or more of the periods sampled.

Context: We performed the audit procedures enumerated in the State of California 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting and identified the finding described above.

Effect: The District is out of compliance with state requirements.

Cause: The District could not locate the weekly engagement record for certain periods for the students sampled.

Fiscal Impact: The error results in an overstatement of revenue by \$2,696.

Recommendation: We recommend for the District obtain and maintain appropriate attendance records to be in compliance with the state requirements for each pupil attending.

Views of Responsible Officials and Planned Corrective Action: The District will implement procedures to ensure student attendance records are maintained in compliance with current education code.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2021-002 DEFICIENCY – STATE COMPLIANCE – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Any student who meets the federal income eligibility criteria or is deemed to be categorically eligible for FRPM under the National School Lunch Program (NSLP) will be counted as FRPM-eligible. Except for directly certified and foster students identified through a statewide match, LEAs must submit the appropriate student program (SPRG) records to CALPADS in order for the students to be counted as FRPM-eligible. Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 2574(b)(3)(C), 44238.02(b)(3)(B), and 41020, Education Code.

Condition: At the District, it was noted that 703 students were improperly included in the Free and Reduced Meal Program.

Unduplicated pupil count based on:	<u>Enrollment</u>	<u>FRPM</u>	<u>ELAS</u>	<u>Both</u>	<u>TOTAL</u>
As certified on CALPADS	10,627	2,742	96	254	3,092
Audit Adjustments		<u>(709)</u>	<u>76</u>	<u>(70)</u>	<u>(703)</u>
Adjusted Counts		<u>2,033</u>	<u>172</u>	<u>184</u>	<u>2,389</u>

Context: We performed the audit procedures enumerated in the State of California 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting and identified an initial error. The District then identified that a significant number of students were inappropriately included in the CalPADS 1.17 – FRPM/English Learner/Foster Youth – Count report as free or reduced status. The District had appropriately allowed the students to utilize waivers until the applications were gathered and the reporting was updated. However, a large number of students did not return applications and therefore, should have been removed from the FRPM count.

The District underwent an extensive process to gather the appropriate data and recreate the CalPADS 1.17 – FRPM/English Learner/Foster Youth – Count report. We then tested the revised report noting no errors.

Effect: The District is out of compliance with state requirements.

Cause: The system used to generate the CalPADS reporting was not properly updated to remove students that were reporting on a waiver up until the extended due date. This caused the unduplicated pupil count to be overstated.

Fiscal Impact: The School District Unduplicated Pupil Percentage for Roseville Joint Union High School District was originally reported at 28.03% and the revised School District Unduplicated Pupil Percentage is reported at 25.80%; the fiscal impact is a reduction of LCFF revenues of approximately \$426,788. The District has established a payable of this amount in their General Fund as of June 30, 2021.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

**2021-002 DEFICIENCY – STATE COMPLIANCE – UNDUPLICATED LOCAL CONTROL FUNDING
FORMULA PUPIL COUNTS (40000) (Continued)**

Recommendation: The District should ensure the systems required to generate the unduplicated pupil count reporting are updated with the most current information prior to the reporting date to ensure all student counts are properly stated.

Views of Responsible Officials and Planned Corrective Action: Procedures have been implemented to ensure only students who have turned in an application are included in the CalPADS reports. Further, with universal lunch there is no longer a waiver period as all lunches are now free for all students.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

No matters were reported.