



Chula Vista Elementary School District

County of San Diego
Chula Vista, California

Audit Report

June 30, 2020



WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS



Chula Vista Elementary School District

Table of Contents

June 30, 2020

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	12
Statement of Net Position	12
Statement of Activities.....	13
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position – Internal Service Fund.....	20
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund.....	21
Statement of Cash Flows – Internal Service Fund.....	22
Statement of Net Position – Fiduciary Funds	23
Statement of Changes in Net Position – Fiduciary Funds	24
Notes to the Financial Statements.....	25
REQUIRED SUPPLEMENTARY INFORMATION	83
Budgetary Comparison Schedule – General Fund.....	83
Budgetary Comparison Schedule – Charter School Fund	84
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS	85
Schedule of the District’s Contributions - CalSTRS	86
Schedule of the District’s Proportionate Share of the Net Pension Liability – CalPERS.....	87
Schedule of the District’s Contributions - CalPERS	88
Schedule of Changes in the District’s Net OPEB Liability and Related Ratios – CVESD Retiree Health Benefit Plan	89
Schedule of the District’s Contributions – CVESD Retiree Health Benefit Plan.....	90
Schedule of Investment Returns – CVESD Retiree Health Benefit Plan	91
Notes to Required Supplementary Information	92

Chula Vista Elementary School District

Table of Contents

June 30, 2020

COMBINING STATEMENTS AS SUPPLEMENTARY INFORMATION	96
Combining Balance Sheet – Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	97
Combining Balance Sheet – Nonmajor Special Revenue Funds	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	99
Combining Balance Sheet – Nonmajor Capital Projects Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	101
Combining Balance Sheet – Nonmajor Debt Service Funds	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	103
OTHER SUPPLEMENTARY INFORMATION	104
Local Education Agency Organization Structure	104
Schedule of Average Daily Attendance.....	105
Schedule of Instructional Time.....	109
Schedule of Financial Trends and Analysis.....	113
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.....	114
Schedule of Charter Schools.....	115
Schedule of Expenditures of Federal Awards.....	116
Notes to the Schedule of Expenditures of Federal Awards	117
OTHER INDEPENDENT AUDITORS’ REPORTS	118
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 <i>Government Auditing Standards</i>	118
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	120
Independent Auditor’s Report on State Compliance	122
AUDITOR’S RESULTS, FINDINGS & RECOMMENDATIONS	125
Schedule of Auditor’s Results	125
Schedule of Findings and Questioned Costs.....	126
Corrective Action Plan.....	129
Schedule of Prior Year Audit Findings.....	130

Independent Auditor's Report

To the Board of Education
Chula Vista Elementary School District
Chula Vista, 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 the Chula Vista Elementary School District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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 an opinion 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 opinion.

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 the Chula Vista Elementary School District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information identified in the table of contents, as required by the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2021, on our consideration of Chula Vista Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wilkinson Hadley King & Co LLP

El Cajon, California
February 17, 2021

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

This section of the Chula Vista Elementary School District's (CVESD) annual financial report presents the discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2020. This Management Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements that immediately follow this section.

FINANCIAL HIGHLIGHTS

- In 2019-20, the District's net position was <\$51,781,305>. The negative net position is primarily attributable to Governmental Accounting Standards Board (GASB) Statement No.68 which requires Districts to report its portion of the Net Pension Liability beginning with the 2016-17 fiscal year. The net position liability represents the District's proportionate share of CalSTRS and CalPERS liabilities. The District's net Pension Liability in 2019-20 was \$365,208,216.
- Overall revenues were \$394,319,645 with overall expenditures at \$423,035,733.
- Total District annual average daily attendance (ADA), including 5 dependent charters, decreased by 7 ADA from 28,351 to 28,344. The 5 charters decreased by 62 ADA and the 41 District schools increased by 55 ADA.
- In 2019-20, there were eight charter schools in the District with approximately 6,748 ADA. Five charter schools—Arroyo Vista, Chula Vista Learning Community, Discovery, Feaster, and Mueller—are included in the District's audit with 5,923 ADA. The sixth charter – Leonardo da Vinci Health Sciences with 237 ADA began operations in 2009-10 as a K-6 charter school organized under the Nonprofit Public Benefit Corporation Law. The seventh charter—Howard Gardner Community Charter School with 202 ADA began operations in 2012-13 as a K-8 charter school organized under the Nonprofit Public Benefit Corporation Law. The eighth charter—Learning Choice Academy with 386 ADA began operations in 2018-19 as a K-12 charter school organized under the Nonprofit Public Benefit Corporation Law. The District's audit does not contain financial information for Leonardo da Vinci Health Science, Howard Gardner Community Charter School and Learning Choice Academy.
- The District records its ending fund balances in compliance with GASB Statement No. 54.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: (1) the MD&A (this section), (2) basic financial statements, and (3) required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *Districtwide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District and report the District's operations in more detail than the Districtwide financial statements.
 - The *governmental funds* statements tell how basic services, such as general and special education, were financed in the short term as well as what remains for future spending.
 - *Proprietary funds* statements offer short-term and long-term financial information about the activities the District operates like businesses.
 - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

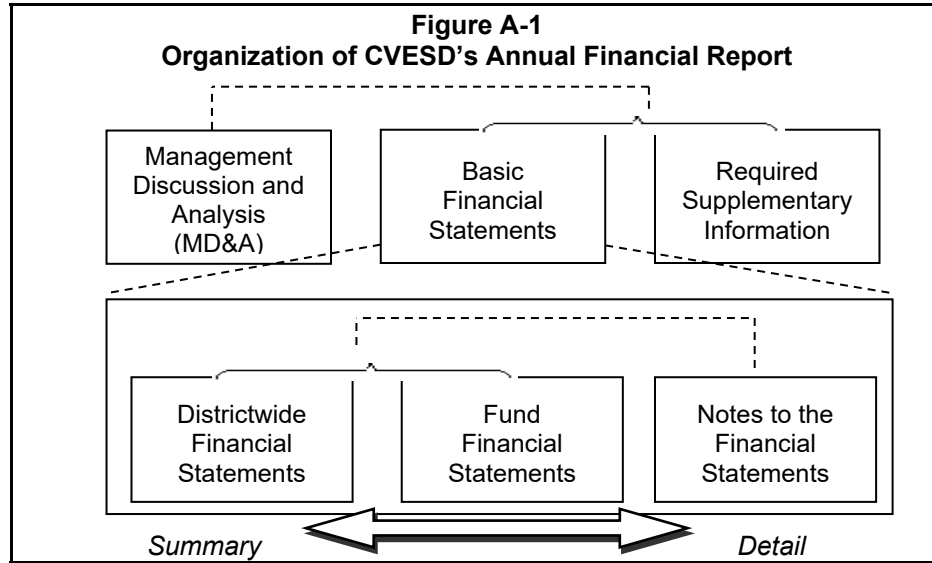


Figure A-2 summarizes the major features of the District's financial statements including the portion of the District's activities they cover and the types of information they contain.

The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

Districtwide Statements

Figure A-2
Major Features of the Districtwide and Fund Financial Statements

<i>Type of Statements</i>	Districtwide	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope.</i>	Entire District except fiduciary activities.	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	Activities the District operates similar to private businesses, such as food services.	Instances in which the District administers resources on behalf of others, such as scholarship programs and student activities monies.
	Statement of net position	Balance sheet.	Statement of net position	Statement of fiduciary net position.
<i>Required financial statements.</i>	Statement of activities.	Statement of revenues, expenditures, and changes in fund balances.	Statement of revenues, expenditures, and changes in fund net position Statement of cash flows.	Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus.</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<i>Type of asset/liability information.</i>	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets expected to be fully used and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets and liabilities, both short-term and long-term. GASB funds do not currently contain nonfinancial assets, though they can.
<i>Type of inflow/outflow information.</i>	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year regardless of when cash is received or paid.	All revenues and expenses during the year regardless of when cash is received or paid.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

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

The two Districtwide statements report the District's net position and how it has changed. Net position—the difference between the District's assets plus deferred outflow of resource and liabilities plus deferred inflow of resource—is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial health of the District, one must consider additional factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the Districtwide financial statements, the District's activities are divided into two categories:

- Governmental activities. All the District's basic services are included here, such as general and special education, transportation, and administration. Property taxes and the Local Control Funding Formula finance most of these activities.
- Business-type activities. The District does not operate any business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, such as repaying its long-term debts, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds.

- Governmental funds. Most of the District's basic services are included in governmental funds, which generally focus on: (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Districtwide statements, additional information is provided at the bottom of the governmental funds statements that explains the relationships (or differences) among them.
- Proprietary funds. Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as Districtwide statements. Enterprise funds or internal service funds are the two types of proprietary funds. The District does not operate any enterprise funds.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

Internal service funds are used to report activities that provide supplies and services for the District's other programs and activities. The District currently accounts for Workers' Compensation Self Insured Activities and Other Post-Employment Benefits Insurance Activities in the self-insurance fund.

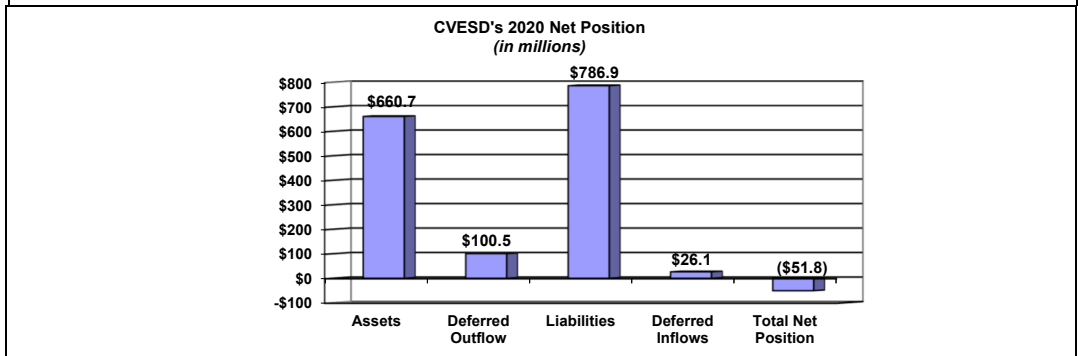
- **Fiduciary funds.** For assets that belong to others, such as student activities funds, the District is the trustee or fiduciary. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These fiduciary funds are excluded from the District wide financial statements because the District cannot use assets in these funds to finance its operations. The District currently reports two fiduciary funds, the OPEB Trust Fund and Student Body Fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
Net Position

The District's combined net position of <\$51,781,305> decreased by \$28,716,088 from the net position of previous year. The Statement of Net Position (see Table A-1) provides the perspective of the District as a whole. All the data is from the District's governmental activities. The District does not operate any business-like entities.

Table A-1
CVESD's Net Position
June 30,
(in millions)

	Governmental Activities		Increase (Decrease)
	2020	2019	
Current and Other Assets	\$ 245.2	\$ 169.6	45%
Capital Assets	<u>415.5</u>	<u>412.0</u>	1%
Total Assets	\$ 660.7	\$ 581.6	13.6%
Deferred Outflows of Resources	\$ 100.5	\$ 124.3	(19%)
Long-Term Debt Outstanding	754.3	671.6	12%
Other Liabilities	<u>32.6</u>	<u>18.3</u>	78%
Total Liabilities	\$ 786.9	\$ 689.9	14%
Deferred Inflows of Resources	\$ 26.1	\$ 39.1	(33%)
Net Position			
Invested in Capital Assets	112.7	196.6	(43%)
Net of Related Debt			
Restricted	141.1	77.4	82%
Unrestricted	<u>(305.6)</u>	<u>(297.1)</u>	3%
Total Net Position	(\$51.8)	(\$23.1)	124%



CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

The District's declined financial position, resulting in a decrease in net position of approximately \$28.7 million is the product of several factors.

- Total Liabilities increased by approximately \$97 million primarily due to issuance of a \$60 million General Obligation bond anticipation note, \$25 million Certificates of Participation and increases in net pension liability and net other post-employment benefit (OPEB) obligation. The increase is reduced by a decrease of \$15 million due to debt service payments for long-term issuances, such as general obligation bonds and certificates of participation (COPs).
- Deferred Outflow of resources decreased by \$23.8 million while deferred inflow of resources decreased by \$13 million. The changes in deferred outflow and inflow of resources are mainly due to deferrals associated with pension and other post-employment benefits.
- Total assets increased by approximately \$79.1 million which offsets the increase in liabilities. The change is mainly due to an increase of \$75.6 million in current assets which includes cash, accounts receivable and inventory.

Changes in Net Position

The District's total revenues increased by approximately 5 percent to \$394,319,645 (see Table A-2). General revenues increased by approximately \$10.3 million due to increased property taxes, interest and investment earnings and a \$7 million increase in program revenues. Approximately 75 percent of the total revenue represents property taxes and state/federal formula aid not restricted for specific purposes, 14 percent was received as state and federal aid for specific operating grants, and the remainder represents miscellaneous revenues and charges for services.

Table A-2			
Change in CVESD's Net Position			
Year Ended June 30,			
(in millions)			
	Governmental Activities		Percentage Increase (Decrease)
	2020	2019	
Revenues			
General Revenues	\$ 334.5	\$ 324.2	3%
Program Revenues	<u>59.8</u>	<u>52.8</u>	13%
Total Revenues	\$ 394.3	\$ 377.0	5%
Expenses			
Instruction/Instruction Related	\$ 300.9	\$ 276.1	9%
Pupil Services	47.6	49.2	(3%)
General Administration	62.4	57.7	8%
Other Outgo	<u>12.1</u>	<u>11.2</u>	8%
Total Expenses	\$ 423.0	\$ 394.2	7%
Increase (Decrease)	(\$28.7)	(\$17.2)	

The total cost of all programs increased by \$28.8 million or 7 percent to \$423 million. 82 percent of District expenses (instruction/instruction related and pupil services) directly supports the education and care of students (see Table A-2). General Administration expenses includes data processing services, maintenance and operations, ancillary services, and community services. The purely administrative activities (other administration and data processing services) account for just 4 percent of total costs. Other Outgo represents interest on long term debt and payments to the county office of education for student services.

In 2020, total expenses exceeded revenues by approximately \$28.7 million. In 2019, expenses exceeded revenues by \$17.2 million.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

Governmental Activities

Revenues from the District's governmental activities increased by approximately 5 percent, while total expenses increased by approximately 7 percent. Total government revenues were \$394,319,645 (see Table A-3) while government expenditures were \$423,035,733 (see Table A-4).

Table A-3					
Revenue for Governmental Activities					
Year Ended June 30,					
(in millions)					
	<u>2020</u>	<u>Percentage</u>	<u>2019</u>	<u>Percentage</u>	<u>Increase (Decrease)</u>
Program Revenues	\$ 59.8	15%	\$ 52.8	14%	\$ 7.0
General Revenues	<u>334.5</u>	85%	<u>324.2</u>	86%	<u>10.3</u>
Total	\$ 394.3		\$ 377.0		\$ 17.3

Property taxes and federal and state aid represent over 89 percent of general revenues with the remaining 11 percent of general revenues consisting of interest earnings, other agency transfers, and miscellaneous income. Program revenues consist of 91 percent from federal, state, and local operating grants and contributions and 9 percent from charges for services.

The table below presents a two-year cost comparison of six of the District's largest functions: instruction, instruction related, pupil services, general administration, plant services, and other (which includes interest on long-term debt and other outgo).

Table A-4						
Expenditures for Governmental Activities						
Year Ended June 30,						
(in millions)						
<u>Function</u>	<u>Total Cost of Services</u>		<u>Percentage Increase (Decrease)</u>	<u>Net Cost of Services</u>		<u>Percentage Increase (Decrease)</u>
	<u>2020</u>	<u>2019</u>		<u>2020</u>	<u>2019</u>	
Instruction	\$ 263.1	\$ 237.4	11%	\$231.4	\$214.5	8%
Instruction Related	37.8	38.7	(2%)	32.7	33.9	(4%)
Pupil Services	47.6	49.2	(3%)	30.2	31.3	(4%)
General Administration	18.9	13.4	41%	17.7	12.2	45%
Plant Services	43.5	44.3	(2%)	39.4	41.1	(4%)
Other	<u>12.1</u>	<u>11.2</u>	<u>8%</u>	<u>11.8</u>	<u>8.5</u>	<u>39%</u>
Total	\$ 423.0	\$ 394.2	7%	\$363.2	\$341.5	6%

Table A-4 also shows the net cost of each function. The net cost is the total cost of each function less program revenues. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions associated with each function.

- The cost of all governmental functions this year was \$423 million, an increase of 7 percent.
- Net costs of services were \$363.2 million, representing an increase of 6 percent.
- Most of the District's net costs of \$363.2 million are paid from taxes levied for general purposes (\$124 million) and federal and state aid not restricted for specific purposes (\$173.5 million).
- Specific administrative costs, such as data processing and other general and administrative costs is representing approximately 4 percent of all expenditures.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
 Management Discussion and Analysis
 for the Fiscal Year Ended June 30, 2020
 (Unaudited)

Business-Type Activities

The District did not operate any business-type activities.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance as a whole is reflected in the District's governmental funds. As the District completed the year, the governmental funds reported a combined fund balance of \$200.9 million.

General Fund Budgetary Highlights

Table A-5 presents a comparison of revenues, expenditures, and other sources/uses from the adopted budget to the year-end budget.

Table A-5			
Budget to Actual Variances			
Year Ended June 30, 2020			
<i>(in millions)</i>			
	<u>Adopted Budget</u>	<u>Year-End Budget</u>	<u>Actuals</u>
Total Revenues	\$284.7	\$291.7	\$291.4
Total Expenditures	(294.4)	(293.5)	(291.9)
Total Other Sources/Uses	<u>0.0</u>	<u>0.1</u>	<u>0.2</u>
Net Increase/(Decrease) in Fund Balance	(\$9.7)	(\$1.7)	(\$0.3)

Over the course of the year, the District revised the annual operating budget several times. The budget amendments generally fell into the following categories.

- The net increase in total revenues from the adopted budget to the year-end estimated budget was approximately \$7.0 million and was due primarily to the increase in revenues from the state and local revenues.
- The net decrease in total expenditures from the adopted budget to the year-end estimated budget of <\$912,527> was due mostly to the decrease in supplies and other operating expenses.

A comparison of the District's 2019-20 general fund ending balance and the final budgeted fund balance showed a \$1.3 million increase in the ending fund balance. The major factor that led to the increase is noted below.

- An increase in restricted categorical revenue and decrease in restricted categorical expenditures account for majority of the change.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of June 30, 2020, the District had invested \$673.6 million (before depreciation) in a broad range of capital assets including school buildings, school sites, computer equipment, and other building improvements.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

Table A-6			
CVESD Capital Assets			
June 30,			
(net of depreciation, in millions)			
	<u>Governmental Activities</u>		<u>Percentage</u>
	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
Land	\$ 40.3	\$ 40.3	0%
Construction in Progress	22.2	9.3	139%
Site Improvement	7.2	7.1	1%
Buildings	340.8	350.7	(3%)
Equipment and Furniture	<u>5.0</u>	<u>4.6</u>	<u>9%</u>
Total	\$ 415.5	\$ 412.0	1%

The \$415.5 million in net capital assets at June 30, 2020, represents an increase of approximately \$3.5 million or 1 percent from last year (see Table A-6). Total depreciation increased by \$35.4 million from last year. More detailed information about capital assets can be found in the notes to the financial statements.

Long-Term Debt

At year-end, the District had \$754.3 million outstanding debt in general obligation bonds, certificates of participation (COPs), capital leases and other outstanding long-term debt (see Table A-7), which represents an increase of approximately \$82.7 million from last year. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Table A-7			
CVESD Outstanding Long-Term Debt			
June 30,			
(in millions)			
	<u>2020</u>	<u>2019</u>	<u>Increase</u>
			<u>(Decrease)</u>
General Obligation Bonds	\$ 183.1	\$128.0	\$55.1
Certificates of Participation	162.0	145.3	16.7
Capital Lease	0.4	0.4	0.0
Net Pension Liability	365.2	361.6	3.6
Net Other Post-Employment Benefits Obligation	41.8	34.9	6.9
Other	<u>1.8</u>	<u>1.4</u>	<u>0.4</u>
Total	\$ 754.3	\$ 671.6	\$ 82.7

- The District issued \$60M 2019 General Obligation Bond Anticipation Note. The notes are being issued in anticipation of the receipt of proceeds from the Measure VV general obligation bonds. The net proceeds is being used to partially fund the summer 2019 modernization at Sunnyside Elementary School, the summer 2020 modernization project at Feaster Charter School, energy efficiency upgrades, and replacement of fire alarm, heating, ventilation and air conditioning equipment and roofing at various school sites within the District.
- The District issued a \$25M 2020 Certificates of Participation. The net proceed is being used for costs associated with the of acquisition of land and will be used to partially fund the construction of the proposed future school at Otay Ranch Village 3.
- Governmental Accounting Standards Board (GASB) Statement No.68 requires Districts to report its portion of the Net Pension Liability. The net position liability represents the District's proportionate share of CalSTRS and CalPERS liabilities. In 2019-20, the net pension liability increased by \$3.6 million.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
(Unaudited)

- Bond rating information. The District maintains an “A+” rating from Standard & Poor’s for the COPs issuance that closed in February 19,2020. The District maintains an “AA-“ rating from Standard & Poor’s for the 2019 General Obligation Bond Anticipation Notes issuance that closed in August 7, 2019.
- Limitation on debt. The state limits the amount of debt a district can issue to 1.25 percent of the assessed value of property within a district’s boundaries. CVESD’s combined direct debt ratio was 0.49 percent as of June 30, 2020.

FACTORS BEARING ON THE DISTRICT’S FUTURE

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

- The State of California is facing a structural budget deficit due to the COVID-19 pandemic, leaving education budget with unstable fiscal forecasts.
- The escalating employer pension costs continue to cause a material impact to the District.
- The District will continue to monitor the local housing market and its effect on District enrollment.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District’s finances and to determine the District’s accountability for the money it receives. Additional financial information can be obtained by contacting the following:

Office of the Deputy Superintendent
Chula Vista Elementary School District
84 East "J" Street
Chula Vista, CA 91910

Basic Financial Statements

Chula Vista Elementary School District

Statement of Net Position

June 30, 2020

	<u>Governmental Activities</u>
Assets	
Cash	\$ 201,443,989
Accounts Receivable	42,776,874
Inventory	932,091
Prepaid Expenses	33,163
Capital Assets:	
Land	40,352,913
Land Improvements	15,853,518
Buildings & Improvements	575,249,815
Equipment	19,972,908
Work in Progress	22,199,252
Less Accumulated Depreciation	<u>(258,087,797)</u>
Total Assets	<u>660,726,726</u>
Deferred Outflows of Resources	<u>100,545,634</u>
Liabilities	
Accounts Payable and Other Current Liabilities	31,113,036
Unearned Revenue	1,469,422
Long-Term Liabilities:	
Due Within One Year	17,919,211
Due In More Than One Year	<u>736,394,067</u>
Total Liabilities	<u>786,895,736</u>
Deferred Inflows of Resources	<u>26,157,929</u>
Net Position	
Net Investment in Capital Assets	112,684,618
Restricted For:	
Capital Projects	123,620,615
Debt Service	9,496,004
Educational Programs	3,008,504
Other Purposes (Expendable)	3,851,799
Other Purposes (Nonexpendable)	1,110,253
Unrestricted	<u>(305,553,098)</u>
Total Net Position	<u><u>\$ (51,781,305)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Statement of Activities

For the Year Ended June 30, 2020

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					Governmental Activities
Instruction	\$ 263,072,246	\$ 238,854	\$ 31,459,868	\$ -	\$ (231,373,524)
Instruction-Related Services:					
Instructional Supervision and Administration	9,729,024	93,425	4,399,751	-	(5,235,848)
Instructional Library, Media and Technology	4,976,524	101,423	70,011	-	(4,805,090)
School Site Administration	23,100,821	48,512	373,502	-	(22,678,807)
Pupil Services:					
Home-to-School Transportation	7,606,280	7,084	(294,562)	-	(7,893,758)
Food Services	11,257,716	1,427,343	9,489,385	-	(340,988)
All Other Pupil Services	28,721,596	26,989	6,754,414	-	(21,940,193)
General Administration:					
Centralized Data Processing	2,703,548	-	(105,172)	-	(2,808,720)
All Other General Administration	16,272,940	34,836	1,303,912	-	(14,934,192)
Plant Services	38,311,368	281	(186,348)	-	(38,497,435)
Ancillary Services	4,309,027	2,909,154	749,538	-	(650,335)
Community Services	702,743	373,085	255,066	-	(74,592)
Enterprise Activities	173,911	-	5,994	-	(167,917)
Interest on Long-Term Debt	9,477,486	-	-	-	(9,477,486)
Debt Issuance Costs	1,491,613	-	-	-	(1,491,613)
Transfers Between Agencies	1,128,890	-	261,422	-	(867,468)
Total Governmental Activities	<u>\$ 423,035,733</u>	<u>\$ 5,260,986</u>	<u>\$ 54,536,781</u>	<u>\$ -</u>	<u>(363,237,966)</u>
General Revenues					
Taxes and Subventions:					
					\$ 112,532,601
					10,314,655
					1,190,879
					173,494,981
					4,047,793
					10,834,309
					22,106,660
					<u>334,521,878</u>
					(28,716,088)
					(23,065,217)
					<u>\$ (51,781,305)</u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Balance Sheet – Governmental Funds

June 30, 2020

	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
Assets						
Cash in County Treasury	\$ 28,780,428	\$ 16,943,300	\$ 43,743,153	\$ 51,182,753	\$ 19,618,638	\$ 160,268,272
Cash on Hand and in Banks	-	-	-	-	1,593,864	1,593,864
Cash in Revolving Fund	135,000	10,000	-	-	-	145,000
Cash with Fiscal Agent/Trustee	-	-	-	24,585,327	-	24,585,327
Accounts Receivable	33,607,703	7,189,800	138,494	-	1,812,540	42,748,537
Due from Other Funds	1,021,955	1,739,572	47,942	-	472,640	3,282,109
Stores Inventories	829,364	-	-	-	102,726	932,090
Prepaid Expenditures	33,163	-	-	-	-	33,163
Total Assets	\$ 64,407,613	\$ 25,882,672	\$ 43,929,589	\$ 75,768,080	\$ 23,600,408	\$ 233,588,362
Liabilities and Fund Balance:						
Liabilities:						
Accounts Payable	\$ 17,117,018	\$ 4,478,585	\$ 3,706,374	\$ 139,898	\$ 2,519,997	\$ 27,961,872
Due to Other Funds	2,148,670	760,292	48,229	73,500	251,418	3,282,109
Unearned Revenue	1,266,120	203,302	-	-	-	1,469,422
Total Liabilities	<u>20,531,808</u>	<u>5,442,179</u>	<u>3,754,603</u>	<u>213,398</u>	<u>2,771,415</u>	<u>32,713,403</u>
Fund Balance:						
Nonspendable	997,527	10,000	-	-	102,726	1,110,253
Restricted	3,144,379	733,889	40,174,986	75,554,682	20,368,985	139,976,921
Committed	-	-	-	-	-	-
Assigned	2,603,304	19,696,604	-	-	357,282	22,657,190
Unassigned	37,130,595	-	-	-	-	37,130,595
Total Fund Balance	<u>43,875,805</u>	<u>20,440,493</u>	<u>40,174,986</u>	<u>75,554,682</u>	<u>20,828,993</u>	<u>200,874,959</u>
Total Liabilities and Fund Balances	\$ 64,407,613	\$ 25,882,672	\$ 43,929,589	\$ 75,768,080	\$ 23,600,408	\$ 233,588,362

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020

Total fund balances governmental funds: \$ 200,874,959

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

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

Capital assets relating to governmental activities, at historical cost	673,628,406	
Accumulated depreciation	<u>(258,087,797)</u>	
	Net	415,540,609

Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are:

32,480

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

(3,146,663)

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

General obligation bonds payable	183,158,978	
Certificates of participation payable	161,960,889	
Capital leases payable	398,434	
Net pension liability	365,208,216	
Net OPEB liability	41,796,507	
Compensated absences	<u>1,790,254</u>	
	Total	(754,313,278)

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued
June 30, 2020

Deferred gain or loss on debt refunding: In the government wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or a deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was: 2,454,844

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

Deferred outflows of resources relating to pensions	90,528,552	
Deferred inflows of resources relating to pensions	<u>(24,889,933)</u>	
Net		65,638,619

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

Deferred outflows of resources relating to OPEB	7,529,758	
Deferred inflows of resources relating to OPEB	<u>(1,267,996)</u>	
Net		6,261,762

Internal service funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is: 14,875,363

Total net position governmental activities: \$ (51,781,305)

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2020

	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
Revenues						
State Apportionment	\$ 109,990,628	\$ 30,802,934	\$ -	\$ -	\$ -	\$ 140,793,562
Education Protection Account Funds	18,296,480	5,001,492	-	-	-	23,297,972
Property Taxes	86,405,831	21,352,750	-	-	10,234,282	117,992,863
Federal Revenue	16,047,903	1,988,228	-	-	9,286,086	27,322,217
Other State Revenue	29,426,382	5,342,565	-	-	6,884,315	41,653,262
Interest	1,323,686	388,698	875,431	1,223,427	347,829	4,159,071
Other Local Revenue	29,902,846	413,738	381,995	19,753,327	2,987,487	53,439,393
Total Revenues	<u>\$ 291,393,756</u>	<u>\$ 65,290,405</u>	<u>\$ 1,257,426</u>	<u>\$ 20,976,754</u>	<u>\$ 29,739,999</u>	<u>\$ 408,658,340</u>
Expenditures						
Current Expenditures:						
Instruction	186,487,430	37,572,595	-	-	3,579,982	227,640,007
Instruction - Related Services	27,721,659	9,044,666	-	-	723,990	37,490,315
Pupil Services	33,783,437	2,101,839	-	-	11,229,753	47,115,029
Ancillary Services	4,240,011	67,052	-	-	-	4,307,063
Community Services	697,195	4,531	-	-	-	701,726
Enterprise Activities	173,235	-	-	-	-	173,235
General Administration	13,385,546	-	-	-	404,190	13,789,736
Plant Services	23,199,387	14,219,626	983,734	430,370	1,225,389	40,058,506
Transfers Between Agencies	1,116,376	12,514	-	-	-	1,128,890
Debt Issuance Costs	585,835	-	288,034	650,223	-	1,524,092
Capital Outlay	416,032	605,328	25,561,915	8,088,519	1,948,152	36,619,946
Debt Service:						
Principal	107,453	62,691	280,000	-	13,545,000	13,995,144
Interest	660	1,174	314,163	-	9,925,915	10,241,912
Total Expenditures	<u>291,914,256</u>	<u>63,692,016</u>	<u>27,427,846</u>	<u>9,169,112</u>	<u>42,582,371</u>	<u>434,785,601</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(520,500)</u>	<u>1,598,389</u>	<u>(26,170,420)</u>	<u>11,807,642</u>	<u>(12,842,372)</u>	<u>(26,127,261)</u>
Other Financing Sources (Uses):						
Transfers In	-	-	2,031,428	-	13,357,186	15,388,614
Transfers Out	-	(594,163)	-	(13,357,186)	(1,437,265)	(15,388,614)
Proceeds from Sale of Bonds	-	-	59,998,285	-	-	59,998,285
Proceeds from Sale of Certificates of Participation	-	-	-	25,000,000	-	25,000,000
Proceeds from Capital Leases	151,815	65,193	-	-	-	217,008
Other Financing Sources	-	-	93,060	830,681	-	923,741
Total Other Financing Sources (Uses)	<u>151,815</u>	<u>(528,970)</u>	<u>62,122,773</u>	<u>12,473,495</u>	<u>11,919,921</u>	<u>86,139,034</u>
Net Change in Fund Balance	(368,685)	1,069,419	35,952,353	24,281,137	(922,451)	60,011,773
Fund Balance, Beginning of Year	44,244,490	19,371,074	4,222,633	51,273,545	21,751,444	140,863,186
Fund Balance, End of Year	<u>\$ 43,875,805</u>	<u>\$ 20,440,493</u>	<u>\$ 40,174,986</u>	<u>\$ 75,554,682</u>	<u>\$ 20,828,993</u>	<u>\$ 200,874,959</u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Total change in fund balances governmental funds: \$ 60,011,773

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

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

Expenditures for capital outlay	39,022,663	
Depreciation expense	<u>(35,546,825)</u>	
	Net	3,475,838

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 13,995,144

Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is: 32,480

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were: (86,139,034)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: (52,132)

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: (373,830)

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities, Continued
For the Year Ended June 30, 2020

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (15,777,239)

Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year the difference between OPEB expenses and actual employer OPEB contributions was: (5,274,012)

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is: 816,559

Internal Service Funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was: 568,365

Change in net position of governmental activities: \$ (28,716,088)

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District
Statement of Net Position – Internal Service Fund
June 30, 2020

	Internal Service Fund
	<u>Self-Insurance Fund</u>
Assets	
Cash in County Treasury	\$ 14,683,153
Cash in Banks	168,372
Accounts Receivable	28,338
Total Assets	<u>14,879,863</u>
Liabilities	
Accounts Payable	4,500
Total Liabilities	<u>4,500</u>
Net Position	
Unrestricted	14,875,363
Total Net Position	<u>\$ 14,875,363</u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund

June 30, 2020

	<u>Internal Service Fund</u>
	<u>Self-Insurance Fund</u>
Operating Revenues	
In-District Premiums/Contributions	\$ 3,277,578
Total Operating Revenues	<u>3,277,578</u>
Operating Expenses	
Insurance	177,537
Professional Consulting Services	2,840,371
Total Operating Expenses	<u>3,017,908</u>
 Operating Income	 <u>259,670</u>
Non-Operating Revenues/(Expenses)	
Interest Income	308,694
Total Nonoperating Revenues/(Expenses)	<u>308,694</u>
 Change in Net Position	 568,364
 Total Net Position - Beginning	 <u>14,306,999</u>
Total Net Position - Ending	<u>\$ 14,875,363</u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Statement of Cash Flows – Internal Service Fund

June 30, 2020

	Internal Service Fund
	<u>Self-Insurance Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$ 3,555,348
Cash Payments to Other Suppliers for Goods and Services	<u>(3,017,908)</u>
Net Cash Provided (Used) by Operating Activities	<u>537,440</u>
Cash Flows from Investing Activities	
Cash Received from Interest Earned	<u>366,471</u>
Net Cash Provided (Used) by Investing Activities	<u>366,471</u>
Net Increase (Decrease) in Cash and Cash Equivalents	903,911
Cash and Cash Equivalents - Beginning of Year	<u>13,947,614</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 14,851,525</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 259,670
Change in Assets and Liabilities:	
Decrease (Increase) in Due From Other Funds	<u>277,770</u>
Total Adjustments	<u>277,770</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 537,440</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Statement of Net Position – Fiduciary Funds

June 30, 2020

	OPEB Trust Fund	Agency Fund
	Retiree Benefits Fund	Student Body Fund
Assets		
Cash in Bank	\$ -	\$ 913,983
Investments	16,481,681	-
Total Assets	<u>\$ 16,481,681</u>	<u>\$ 913,983</u>
Liabilities		
Due to Student Groups	\$ -	\$ 913,983
Total Liabilities	<u>-</u>	<u>913,983</u>
Net Position		
Held in Trust for OPEB Benefit	16,481,681	-
	<u>\$ 16,481,681</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Statement of Changes in Net Position – Fiduciary Funds

June 30, 2020

	<u>OPEB</u> <u>Trust Fund</u> <u>Retiree</u> <u>Benefits Fund</u>
Additions	
Contributions:	
Employer Contributions Direct	\$ -
Employer Contributions Outside of Trust	1,136,897
Net Investment Income	<u>586,126</u>
Total Additions	<u><u>\$ 1,723,023</u></u>
Deductions	
OPEB Reimbursements from Trust	\$ 906,238
OPEB Reimbursements Outside of Trust	1,136,897
Administrative Expenses	<u>8,161</u>
Total Deductions	<u><u>2,051,296</u></u>
Change in Net Position	\$ (328,273)
Net Position - Beginning of Year	<u>16,809,954</u>
Net Position - End of Year	<u><u>\$ 16,481,681</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Chula Vista Elementary School District

Notes to the Financial Statements

For the Year Ended June 30, 2020

A. Summary of Significant Accounting Policies

Chula Vista Elementary School District (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 (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District operates under a locally elected Board of Education form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital facilities funds, debt service funds, and OPEB trust fund, and student-related activities.

2. Component Units

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

The District and the Chula Vista Community Facilities District (the CFD) have a financial and operational relationship which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the CFD as a component unit of the District. Therefore, the financial activities of the CFD have been included in the basic financial statements as a blended component unit.

The following are those aspects of the relationship between the District and the CFD which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, criteria:

a. Manifestations of Oversight

The governing body of the CFD is substantively the same as the District's Board of Directors.

The CFD has no employees, the District's Superintendent and Deputy Superintendent function as agents of the CFD. Neither individual received additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the CFD as it is anticipated that the District will be the sole lessee of all facilities owned by the CFD.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

b. Accounting and Fiscal Matters

All major financing arrangements, contracts, and other transactions of the CFD must have the consent of the District.

The District will assume a “moral obligation”, and potentially a legal obligation, for any debt incurred by the CFD.

c. Scope of Public Service and Financial Presentation

The CFD was created for the sole purpose of financially assisting the District.

The CFD was created pursuant to a joint powers agreement between the District and the California Statewide Communities Development Authority, pursuant to California Government Code, commencing with Section 6500. The CFD was formed to provide financing assistance to the District for construction and acquisition of major capital facilities. Upon completion the District intends to occupy all CFD facilities.

The CFD’s financial activity is presented in the financial statements in the Capital Projects Fund for Blended Component Units and Debt Service Fund for Blended Component Units.

Based upon review of the applicable GASB pronouncements, the District is not a component unit of any other entity.

3. Basis of Presentation

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

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

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

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

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

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the District’s own programs.

Major Governmental Funds

The District reports the following major governmental funds:

General Fund: The general fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund.

Charter School Fund: This fund is used to account separately for the operating activities of District operated charter schools.

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

Capital Projects Fund for Blended Component Units: This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code §5311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a “Community Facilities District” (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has one CFD reported as a blended component unit.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Non-Major Governmental Funds

The District reports the following non-major governmental funds categorized by the fund type:

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

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

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

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

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District maintains the following nonmajor capital projects funds:

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 (*Education Code §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

County School Facilities Fund: This fund is established pursuant to *Education Code §17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants as provided in the Leroy F. Green School Facilities Act of 1998 (*Education Code §17070.10 et seq.*).

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

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

Bond Interest and Redemption Fund: The bond interest and redemption fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of San Diego Auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.

Debt Service Fund for Blended Component Units: This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facility Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code §5311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has one CFD reported as a blended component unit.

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

Self-Insurance Fund: Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of the District (*Education Code §17566*).

Fiduciary Funds

Trust and Agency Funds: Trust and agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District maintains the following agency fund:

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

Student Body Fund: The student body fund is an agency fund, and therefore, consists only of accounts such as cash and balancing liability accounts, such as due to student groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code §48930 through §48938*).

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

4. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

5. 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 or at year end, whichever is sooner.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

6. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1st. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

7. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

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

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

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

b. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

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

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code §41001, the District maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

d. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The balance of the liabilities is recognized in the government-wide financial statements at year end.

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

e. Unearned Revenue

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

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. 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 or expenses. Reimbursements occur 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. Transfers in and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

Restricted Fund Balance represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget or resolution. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Unassigned Fund Balance represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

h. Minimum Fund Balance Policy

The District maintains a minimum reserve for economic uncertainties of 8% of the District's general fund annual operating expenditures. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. If the reserve for economic uncertainties drops below 8%, it shall be recovered as soon as fiscally possible. In the event of unanticipated changes in revenues or expenditures, it is the responsibility of the Superintendent/Designee to report the projections to the Board when they become known. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

i. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

j. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

k. Postemployment Benefits Other than Pensions (OPEB)

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

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

9. Property Taxes

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

10. Use of Estimates

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

11. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs to an asset or liability.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

12. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2020. Those newly implemented pronouncements are as follows:

GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update – 2018
- Implementation Guide No. 2019-1, Implementation Guidance Update – 2019
- Implementation Guide No. 2019-2, Fiduciary Activities

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases

There have been no adjustments to the financial statements or note disclosures as a result of adoption of the accounting policies.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The District’s investments at June 30, 2020, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
External investment pools measured at fair value				
San Diego County Treasury	\$ 174,951,425	\$ -	\$ 174,951,425	\$ -
Total investments by fair value level	<u>\$ 174,951,425</u>	<u>\$ -</u>	<u>\$ 174,951,425</u>	<u>\$ -</u>
Investments by fair value level				
Beneficial interests in investments held by				
CERBT trust fund	\$ 16,481,681	\$ -	\$ -	\$ 16,481,681
Money Market Funds	24,585,327	-	24,585,327	-
Total investments by fair value level	<u>\$ 41,067,008</u>	<u>\$ -</u>	<u>\$ 24,585,327</u>	<u>\$ 16,481,681</u>

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code §41001). The fair value of the District’s investments in the pool is reported in the accounting financial statements as amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the 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.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

Investments in money market funds are amounts held by fiscal agents for community facilities districts special tax bonds.

The District invests OPEB trust funds in the California Employers' Retiree Benefit Trust (CERBT) Strategy 1 portfolio. The CERBT Strategy 1 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

The following is a reconciliation of the beginning and ending balance of investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2020:

	<u>Beneficial Interests in Investments Held by CERBT Trust</u>
Balance at June 30, 2019	\$ 16,809,954
Purchases/contributions of investments	-
Investment return, net	586,126
Distributions	(906,238)
Administrative expenses	(8,161)
Balance at June 30, 2020	<u>\$ 16,481,681</u>

D. Cash and Investments

1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$174,951,425 as of June 30, 2020). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$174,951,425. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

2. Cash on Hand, In Banks, and in Revolving Fund

Cash balances on hand and in banks (\$2,676,219 as of June 30, 2020) and in revolving fund (\$145,000 as of June 30, 2020) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

3. Cash with Fiscal Agents and Investments

The District's cash with fiscal agent and investments at June 30, 2020 are shown below:

Description	Maturity	Amount Reported	Fair Value
Money Market Funds	< 30 Days	\$ 24,585,327	\$ 24,585,327
OPEB - CERBT Strategy 1 Investments	< 30 Days	16,481,681	16,481,681
Total Cash with Fiscal Agent and Investments		\$ 41,067,008	\$ 41,067,008

4. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

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

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

5. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county treasury is restricted by Government Code §53635 pursuant to §53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of risk.

At June 30, 2020, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 174,951,425
Money Market Funds	Unrated	Not Applicable	24,585,327
CERBT Investment Strategy 1	Unrated	Not Applicable	16,481,681

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At June 30, 2020, the District's bank balances exceeded FDIC limitations by \$2,571,219 and as such were exposed to custodial credit risk. Investment balances of \$41,067,008 were not FDIC insured and therefore exposed to custodial credit risk.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the San Diego County Treasury with a fair value of \$174,951,425. The average weighted maturity for this pool was 516 days at June 30, 2020.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

6. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2020 consisted of:

	Major Governmental Funds				Nonmajor Governmental Funds	Total
	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended Component Unit		
Federal Government:						
Special Education	\$ 7,742,091	\$ -	\$ -	\$ -	\$ -	\$ 7,742,091
Child Nutrition Program	-	-	-	-	828,096	828,096
Title III	-	33,307	-	-	-	33,307
Title IV	50,375	15,000	-	-	-	65,375
Other Federal Programs	49,241	2,308	-	-	-	51,549
State Government:						
LCFF State Aid	20,033,152	6,649,370	-	-	-	26,682,522
Lottery	1,170,352	331,906	-	-	-	1,502,258
Child Development	-	-	-	-	514,286	514,286
Child Nutrition Program	-	-	-	-	36,409	36,409
Other State Programs	542,177	-	-	-	10,469	552,646
Local Sources						
Interest	84,399	38,972	90,981	-	21,412	235,764
Special Education	1,315,853	-	-	-	-	1,315,853
E-Rate and CTF	516,330	59,433	47,513	-	-	623,276
After School Program	842,696	-	-	-	-	842,696
Other Local Sources	1,261,037	59,504	-	-	401,868	1,722,409
Total Accounts Receivable	<u>\$ 33,607,703</u>	<u>\$ 7,189,800</u>	<u>\$ 138,494</u>	<u>\$ -</u>	<u>\$ 1,812,540</u>	<u>\$ 42,748,537</u>
		Self-Insurance Fund				
Local Sources						
Interest	\$ 28,338					
Total Accounts Receivable	<u>\$ 28,338</u>					

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

F. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 40,352,913	\$ -	\$ -	\$ 40,352,913
Work in progress	9,347,036	19,904,869	7,052,653	22,199,252
Total capital assets not being depreciated	49,699,949	19,904,869	7,052,653	62,552,165
Capital assets being depreciated:				
Land improvements	15,103,114	750,404	-	15,853,518
Buildings and improvements	551,388,247	23,861,568	-	575,249,815
Equipment	18,546,275	1,558,475	131,842	19,972,908
Total capital assets being depreciated	585,037,636	26,170,447	131,842	611,076,241
Less accumulated depreciation for:				
Land improvements	(7,969,289)	(674,626)	-	(8,643,915)
Buildings and improvements	(200,733,358)	(33,724,813)	-	(234,458,171)
Equipment	(13,970,167)	(1,147,386)	(131,842)	(14,985,711)
Total accumulated depreciation	(222,672,814)	(35,546,825)	(131,842)	(258,087,797)
Total capital assets being depreciated, net	362,364,822	(9,376,378)	-	352,988,444
Governmental activities capital assets, net	\$ 412,064,771	\$ 10,528,491	\$ 7,052,653	\$ 415,540,609

Depreciation was charged to functions as follows:

Instruction	\$ 34,420,818
Instruction Related	92,134
Pupil Services	312,100
General Administration	338,190
Plant Services	383,583
	\$ 35,546,825

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

G. Interfund Balances & Activities

1. Due to and From Other Funds

Balances due to and due from other funds at June 30, 2020 consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Charter School Fund	\$ 655,866	Oversight fees
General Fund	Charter School Fund	1	Property tax adjustment
General Fund	Charter School Fund	12,514	Home tutor ADA transfer
General Fund	Charter School Fund	91,911	Reimbursement of expenses
General Fund	Building Fund	287	Reimbursement of expenses
General Fund	Capital Projects for Blended Component Unit	73,500	Reimbursement of expenses
General Fund	Nonmajor Governmental Funds	187,876	Reimbursement of expenses
Charter School Fund	General Fund	1,627,462	Property tax transfer
Charter School Fund	General Fund	77,672	Impact aid revenue transfer
Charter School Fund	General Fund	590	Reimbursement of expenses
Charter School Fund	Nonmajor Governmental Funds	33,848	Reimbursement of expenses
Building Fund	Building Fund	47,942	Reimbursement of expenses
Nonmajor Governmental Funds	General Fund	442,946	Reimbursement of expenses
Nonmajor Governmental Funds	Nonmajor Governmental Funds	29,694	Reimbursement of expenses
	Total	<u>\$ 3,282,109</u>	

2. Transfers to and From Other Funds

Transfers to and from other funds at June 30, 2020, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
Building Fund	Charter School Fund	\$ 594,163	Transfer for capital projects expenses
Building Fund	Nonmajor Governmental Funds	1,437,265	Transfer for capital projects expenses
Debt Service for Blended Component Unit	Capital Projects for Blended Component Unit	13,357,186	Transfer for debt service payments
	Total	<u>\$ 15,388,614</u>	

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

H. Accounts Payable

Accounts payable balances as of June 30, 2020 consisted of:

	Major Governmental Funds					Total Governmental Funds
	General Fund	Charter School Fund	Building Fund	Capital Projects Fund for Blended Component Units	Nonmajor Governmental Funds	
Vendors Payable	\$ 2,470,287	\$ 354,271	\$ 3,706,374	\$ 139,898	\$ 1,824,266	\$ 8,495,096
Payroll and Benefits	5,653,033	952,588	-	-	635,498	7,241,119
LCFF Repayment	558,940	807,326	-	-	-	1,366,266
EPA Repayment	7,039,338	2,364,322	-	-	-	9,403,660
Other Current Liabilities	1,395,420	78	-	-	60,233	1,455,731
Total Accounts Payable	<u>\$ 17,117,018</u>	<u>\$ 4,478,585</u>	<u>\$ 3,706,374</u>	<u>\$ 139,898</u>	<u>\$ 2,519,997</u>	<u>\$ 27,961,872</u>
	Self Insurance Fund					
Vendors Payable	\$ 4,500					
Total Accounts Payable	<u>\$ 4,500</u>					

I. Unearned Revenue

Unearned revenue balances as of June 30, 2020 consisted of:

	Major Governmental Funds		
	General Fund	Charter School Fund	Total
Federal Programs			
Title I	\$ 568,995	\$ 58,092	\$ 627,087
Title II	26,789	20,799	47,588
Title III	10,330	38,274	48,604
Other Federal Programs	3,903	39,934	43,837
Local Sources			
After school program	149,600	-	149,600
Local contracts and grants	506,503	46,203	552,706
Total Unearned Revenue	<u>\$ 1,266,120</u>	<u>\$ 203,302</u>	<u>\$ 1,469,422</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

J. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2020 consisted of:

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended		
Nonspendable Fund Balance						
Revolving Cash	\$ 135,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 145,000
Inventory	829,364	-	-	-	-	829,364
Prepaid Expenditures	33,163	-	-	-	102,726	135,889
Total Nonspendable Fund Balance	997,527	10,000	-	-	102,726	1,110,253
Restricted Fund Balance						
Child Nutrition Program	-	-	-	-	2,213,194	2,213,194
Capital Projects	-	1,052	40,174,986	75,554,682	7,889,895	123,620,615
Educational Programs	1,627,059	611,553	-	-	769,892	3,008,504
Debt Service	-	-	-	-	9,496,004	9,496,004
Other Purposes	1,517,320	121,284	-	-	-	1,638,604
Total Restricted Fund Balance	3,144,379	733,889	40,174,986	75,554,682	20,368,985	139,976,921
Assigned Fund Balance						
Pupil Transportation	-	-	-	-	357,282	357,282
Charter School Programs	-	19,696,604	-	-	-	19,696,604
Other Purposes	2,603,304	-	-	-	-	2,603,304
Total Committed Fund Balance	2,603,304	19,696,604	-	-	357,282	22,657,190
Unassigned Fund Balance						
For Economic Uncertainties	37,130,595	-	-	-	-	37,130,595
Total Unassigned Fund Balance	37,130,595	-	-	-	-	37,130,595
Total Fund Balance	\$ 43,875,805	\$ 20,440,493	\$ 40,174,986	\$ 75,554,682	\$ 20,828,993	\$ 200,874,959

K. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources.

The District participated in the County of San Diego and San Diego County School Districts Tax and Revenue Anticipation Note Program, Series 2019 issued July 30, 2019. The notes were repaid by June 30, 2020 including interest at 4.00%. The District's share of the Tax and Revenue Anticipation Notes issued was \$15,000,000. The notes were issued to supplement cash flows of the District.

Description	Beginning Balance	Issued	Redeemed	Ending Balance
Tax Revenue Anticipation Notes	\$ -	\$15,000,000	\$15,000,000	\$ -

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

L. Long Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2020, are as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>	<u>Due Within</u>
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 128,007,959	\$ 60,923,309	\$ 5,772,291	\$ 183,158,977	\$ 6,165,530
Certificates of Participation	145,302,684	25,830,681	9,172,475	161,960,890	9,798,244
Capital Leases	351,570	217,008	170,144	398,434	165,183
Net Pension Liability*	361,632,495	3,575,721	-	365,208,216	-
Net OPEB Obligation*	34,900,268	6,896,239	-	41,796,507	-
Compensated Absences*	1,416,424	373,830	-	1,790,254	1,790,254
Total Governmental Activities	<u>\$ 671,611,400</u>	<u>\$ 97,816,788</u>	<u>\$ 15,114,910</u>	<u>\$ 754,313,278</u>	<u>\$ 17,919,211</u>

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund and the debt service fund for blended component units.
- Payments for certificates of participation are made from the building fund and the debt service fund for blended component units.
- Payments for capital leases are made from the general fund and charter school fund.
- Payments for pension contributions are made from the general fund and charter school fund.
- Payments for OPEB contributions are made from the self-insurance fund.
- Payments for compensated absences are made from the general fund, charter school fund, child development fund and the cafeteria fund.

2. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

In 1998, registered voters authorized the issuance of \$95,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, all amounts were issued and subsequently refunded with the 2010 refunding bonds, 2012 refunding bonds, and 2013 refunding bonds.

On November 6, 2012, registered voters authorized the issuance of \$90,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, all amounts have been issued.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

On November 6, 2018, registered voters authorized the issuance of \$150,000,000 principal amount of general obligation bonds. As of June 30, 2020, no bonds have been issued under this authorization.

On March 3, 2020, registered voters authorized the issuance of \$300,000,000 principal amount of general obligation bonds. As of June 30, 2020, no bonds have been issued under this authorization.

In July 2019, the District issued \$59,998,285 in capital appreciation general obligation bond anticipation notes with maturity August 1, 2023. The bonds accrue accreted interest at an accretion rate of 1.560% to full maturity value of \$63,830,000 all becoming due in a balloon payment on August 1, 2023. The District expects to repay the bond anticipation notes with future issuance of general obligation bonds under the 2018 voter authorization.

General obligation bonds at June 30, 2020 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2010 Refunding Bonds	11/04/10	3.00 - 3.25%	08/01/26	\$ 14,785,000
2012 Refunding Bonds	06/14/12	3.00 - 5.00%	08/01/28	18,580,000
2012 Election Series A	06/20/13	2.00 - 5.50%	08/01/37	31,000,000
2013 Refunding Bonds	07/10/13	3.00 - 5.00%	08/01/29	30,755,000
2012 Election Series B	02/19/15	3.00 - 5.00%	08/01/39	14,000,000
2012 Election Series C	01/24/17	4.00 - 5.00%	08/01/41	45,000,000
2019 GO Bond Anticipation Notes	08/07/19	1.56%	08/01/23	59,998,285
Total				<u>\$ 214,118,285</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2010 Refunding Bonds					
Principal	\$ 8,165,000	\$ -	\$ 940,000	\$ 7,225,000	\$ 980,000
Premium	196,293	-	22,598	173,695	23,560
2012 Refunding Bonds					
Principal	12,520,000	-	1,090,000	11,430,000	1,135,000
Premium	1,471,815	-	128,137	1,343,678	133,427
2012 Election Series A					
Principal	24,050,000	-	430,000	23,620,000	485,000
Premium	744,821	-	13,317	731,504	15,021
2013 Refunding Bonds					
Principal	19,380,000	-	2,575,000	16,805,000	2,710,000
Premium	2,211,252	-	293,807	1,917,445	309,210
2012 Election Series B					
Principal	11,225,000	-	205,000	11,020,000	235,000
Premium	612,782	-	11,191	601,591	12,829
2012 Election Series C					
Principal	45,000,000	-	60,000	44,940,000	120,000
Premium	2,430,996	-	3,241	2,427,755	6,483
2019 GO Bond Anticipation Notes					
Principal	-	59,998,285	-	59,998,285	-
Premium	-	95,107	-	95,107	-
Accreted Interest	-	829,917	-	829,917	-
Total	<u>\$ 128,007,959</u>	<u>\$ 60,923,309</u>	<u>\$ 5,772,291</u>	<u>\$ 183,158,977</u>	<u>\$ 6,165,530</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

The annual requirements to amortize the bonds outstanding at June 30, 2020 are as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2021	\$ 5,665,000	\$ 4,592,365	\$ -	\$ 10,257,365
2022	6,010,000	4,356,127	-	10,366,127
2023	6,430,000	4,071,727	-	10,501,727
2024	66,863,285	3,774,077	3,831,715	74,469,077
2025	5,545,000	3,502,458	-	9,047,458
2026-2030	22,610,000	14,419,556	-	37,029,556
2031-2035	18,950,000	10,500,806	-	29,450,806
2036-2040	28,430,000	5,836,673	-	34,266,673
2041-2045	14,535,000	592,500	-	15,127,500
Total	<u>\$ 175,038,285</u>	<u>\$ 51,646,289</u>	<u>\$ 3,831,715</u>	<u>\$ 230,516,289</u>

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2020.

Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The District imputes the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

Premium

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Effective interest on general obligation bonds issued at a premium are as follows:

	2010 Refunding Bond	2012 Refunding Bond	2012 Election Series A
Total Interest Payments	\$ 3,953,964	\$ 6,959,069	\$ 17,592,565
Less Bond Premium	(355,444)	(2,184,212)	(960,059)
Net Interest Payments	<u>3,598,520</u>	<u>4,774,857</u>	<u>16,632,506</u>
PAR Amount of Bonds	14,785,000	18,580,000	31,000,000
Periods	16	17	24
Effective Interest Rate	1.52%	1.51%	2.24%

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

	2013 <u>Refunding Bond</u>	2012 Election <u>Series B</u>	2012 Election <u>Series C</u>
Total Interest Payments	\$ 9,647,357	\$ 6,454,065	\$ 37,033,988
Less Bond Premium	<u>(3,509,136)</u>	<u>(764,272)</u>	<u>(2,430,996)</u>
Net Interest Payments	<u>6,138,221</u>	<u>5,689,793</u>	<u>34,602,992</u>
PAR Amount of Bonds	30,755,000	14,000,000	45,000,000
Periods	17	25	25
Effective Interest Rate	1.17%	1.63%	3.08%
	2019 Bond <u>Anticipation Note</u>		
Total Interest Payments	\$ 3,831,715		
Less Bond Premium	<u>(95,107)</u>		
Net Interest Payments	<u>3,736,608</u>		
PAR Amount of Bonds	59,998,285		
Periods	4		
Effective Interest Rate	1.56%		

3. Certificates of Participation

The District's certificates of participation (COPs) consist of various issues of COPs that are generally callable with interest payable semiannually. COPs proceeds pay primarily for acquiring or constructing capital facilities. The District repays COPs from unrestricted general fund revenues. The debt is secured by facilities owned by the District.

On February 19, 2020 the District issued COPs with Par amount of \$25,000,000 plus a premium of \$830,681. The COPs bear interest ranging from 2.125% to 5.00% with semi-annual interest payments and annual principal maturities through September 1, 2048. The COPs were issued to finance a portion of the cost of acquisition and construction of an elementary school, acquire a municipal bond insurance policy and a debt service reserve, and to pay the costs related to the execution and delivery of the COPs.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Certificates of participation issued by the District as of June 30, 2020 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2010 Refunding COPs	11/03/10	3.00 - 3.63%	09/01/25	\$ 11,220,000
2011 COPs	12/15/11	2.00 - 4.63%	09/01/32	25,000,000
2013 Refunding COPs	04/03/13	3.00 - 5.00%	09/01/28	41,650,000
2013 Charter School COPs	09/12/13	3.00 - 5.25%	09/01/33	6,845,000
2014 Refunding COPs	12/02/14	3.13 - 5.00%	09/01/31	42,420,000
2016 COPs	02/02/16	2.00 - 5.00%	09/01/40	36,785,000
2016 Refunding COPs	04/07/16	3.00 - 4.00%	09/01/21	6,600,000
2020 COPs	02/19/20	2.13 - 5.00%	09/01/48	25,000,000
Total				<u>\$ 195,520,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2010 Refunding COPs					
Principal	\$ 6,705,000	\$ -	\$ 825,000	\$ 5,880,000	\$ 885,000
Premium	136,270	-	16,767	119,503	17,986
2011 COPs					
Principal	20,745,000	-	580,000	20,165,000	620,000
Discount	(384,649)	-	(10,754)	(373,895)	(11,494)
2013 Refunding COPs					
Principal	32,050,000	-	2,625,000	29,425,000	2,975,000
Premium	3,714,529	-	304,232	3,410,297	344,796
2013 Charter School COPs					
Principal	5,650,000	-	280,000	5,370,000	290,000
Premium	4,576	-	227	4,349	235
2014 Refunding COPs					
Principal	35,150,000	-	2,160,000	32,990,000	2,285,000
Premium	3,240,669	-	199,142	3,041,527	210,666
2016 COPs					
Principal	33,315,000	-	1,070,000	32,245,000	1,130,000
Premium	1,957,760	-	62,879	1,894,881	66,403
2016 Refunding COPs					
Principal	2,805,000	-	985,000	1,820,000	915,000
Premium	213,528	-	74,982	138,546	69,652
2020 COPs					
Principal	-	25,000,000	-	25,000,000	-
Premium	-	830,681	-	830,681	-
Total	<u>\$ 145,302,683</u>	<u>\$ 25,830,681</u>	<u>\$ 9,172,475</u>	<u>\$ 161,960,889</u>	<u>\$ 9,798,244</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

The annual requirements to amortize the certificates of participation at June 30, 2020 are as follows:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 9,100,000	\$ 5,820,632	\$ 14,920,632
2022	9,950,000	5,361,649	15,311,649
2023	10,110,000	4,896,134	15,006,134
2024	10,630,000	4,409,512	15,039,512
2025	11,400,000	3,931,434	15,331,434
2026-2030	49,180,000	13,258,524	62,438,524
2031-2035	24,550,000	6,218,365	30,768,365
2036-2040	14,960,000	2,902,513	17,862,513
2041-2045	6,950,000	1,236,056	8,186,056
2046-2050	6,065,000	325,593	6,390,593
Total	<u>\$ 152,895,000</u>	<u>\$ 48,360,412</u>	<u>\$ 201,255,412</u>

Premium/Discount

COPs premium arises when the market rate of interest is higher than the stated interest rate on the certificates. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the certificates and then amortize the premium over the life of the certificates.

COPs discount arises when the market rate of interest is lower than the stated interest rate on the certificates. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the certificates and then amortize the discount over the life of the certificates.

Effective interest on certificates of participation issued at a premium or discount are as follows:

	2010 Refunding COPs	2011 COPs	2013 Refunding COPs
Total Interest Payments	\$ 3,299,246	\$ 16,157,330	\$ 15,767,173
Plus Bond Discount	-	463,543	-
Less Bond Premium	(228,030)	-	(4,827,149)
Net Interest Payments	<u>3,071,216</u>	<u>16,620,873</u>	<u>10,940,024</u>
PAR Amount of Bonds	11,220,000	25,000,000	41,650,000
Periods	15	25	16
Effective Interest Rate	1.82%	2.66%	1.64%

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

	2013 Charter School COPs	2014 Refunding COPs	2016 COPs
Total Interest Payments	\$ 4,627,975	\$ 15,741,344	\$ 16,558,370
Less Bond Premium	(5,545)	(3,910,330)	(2,161,675)
Net Interest Payments	<u>4,622,430</u>	<u>11,831,014</u>	<u>14,396,695</u>
PAR Amount of Bonds	6,845,000	42,420,000	36,785,000
Periods	20	17	25
Effective Interest Rate	3.38%	1.64%	1.57%
	2016 Refunding COPs	2020 COPs	
Total Interest Payments	\$ 714,340	\$ 12,413,291	
Less Bond Premium	(502,419)	(830,681)	
Net Interest Payments	<u>211,921</u>	<u>11,582,610</u>	
PAR Amount of Bonds	6,600,000	25,000,000	
Periods	6	29	
Effective Interest Rate	0.54%	1.60%	

4. Capital Leases

During the 2016-17 fiscal year the District entered into 12 lease agreements with Copy Link to lease copy machines for various school sites. Each lease agreement carries a bargain purchase option of \$1 to purchase the machines at the end of the lease. There is no interest included in the lease payments. Repayment varies from 36 months to 60 months. Since the leases contain a bargain purchase option, the leases have been recorded as capital leases.

During the 2017-18 fiscal year the District entered into 8 lease agreements with Copy Link to lease copy machines for various school sites. Each lease agreement carries a bargain purchase option of \$1 to purchase the machines at the end of the lease. There is no interest included in the lease payments. Repayment varies from 36 months to 60 months. Since the leases contain a bargain purchase option, the leases have been recorded as capital leases.

August 1, 2017 the District entered into a lease agreement with Dell for the purchase of equipment. The total lease was for \$44,329 with principal and interest due annually for three periods beginning in 2017. The lease bears an interest rate of 1.50%.

August 11, 2017 the District entered into a lease agreement with Apple for the purchase of equipment. The total lease was for \$156,475 with principal and interest due August 16th annually for four periods beginning in 2017. The lease bears an interest rate of 8.03%

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

During the 2018-19 fiscal year the District entered into 9 lease agreements with Copy Link to lease copy machines for various school sites. Each lease agreement carries a bargain purchase option of \$1 to purchase the machines at the end of the lease. There is no interest included in the lease payments. Repayment varies from 36 months to 60 months. Since the leases contain a bargain purchase option, the leases have been recorded as capital leases.

During the 2019-20 fiscal year the District entered into 12 lease agreements with Copy Link to lease copy machines for various school sites. Each lease agreement carries a bargain purchase option of \$1 to purchase the machines at the end of the lease. There is no interest included in the lease payments. Repayment varies from 36 months to 60 months. Since the leases contain a bargain purchase option, the leases have been recorded as capital leases.

Future minimum lease payments

Year Ended June 30,	Principal	Interest	Total
2021	\$ 165,183	\$ 591	\$ 165,774
2022	98,350	-	98,350
2023	77,447	-	77,447
2024	51,897	-	51,897
2025	5,557	-	5,557
Total	<u>\$ 398,434</u>	<u>\$ 591</u>	<u>\$ 399,025</u>

5. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2020 amounted to \$1,790,254. This amount is included as part of long-term liabilities in the government-wide financial statements.

6. Net Pension Liability

The District's beginning net pension liability was \$361,632,495 and increased by \$3,575,721 during the year ended June 30, 2020 for a ending net pension liability of \$365,208,216. See Note M for additional information regarding the net pension liability.

7. Net OPEB Liability

The District's beginning net OPEB liability was \$34,900,268 and increased by \$6,896,239 during the year ended June 30, 2020 for a ending net OPEB liability of \$41,796,507. See Note N for additional information regarding the net OPEB liability.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

M. Pension Plans

1. General Information about the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55-60	55-62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (at June 30, 2020)	10.250%	10.205%
Required Employer Contribution Rates (at June 30, 2020)	17.100%	17.100%
Required State Contribution Rates (at June 30, 2020)	10.328%	10.328%

*Amounts are limited to 120% of Social Security Wage Base.

**The rate imposed on CalSTRS 2% at 62 members is based on the normal cost of benefits.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%*
Required Employee Contribution Rates (at June 30, 2020)	7.000%	7.000%
Required Employer Contribution Rates (at June 30, 2020)	19.721%	19.721%

*Amounts are limited to 120% of Social Security Wage Base.

**The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2020 (measurement date June 30, 2019), California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 17.10% of creditable compensation for the fiscal year ended June 30, 2020. Rates are defined in Education Code §22950.5 through the fiscal year ending June 30, 2021. Beginning in the fiscal year ending on June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary.

CalPERS

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2020 (measurement date June 30, 2019), the employee contribution rate was 7.00% and the employer contribution rate was 19.721% of covered payroll.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

On Behalf Payments

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2020 (measurement date June 30, 2019) the State contributed 10.328% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District’s proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State’s pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended	On Behalf Contribution	On Behalf Contribution	On Behalf Pension
June 30,	Rate	Amount	Expense
2018	8.292%	\$ 12,610,069	\$ 5,061,822
2019	14.822%	22,616,772	(4,589,013)
2020	10.328%	16,329,649	5,161,980

CalPERS			
Year Ended	On Behalf Contribution	On Behalf Contribution	On Behalf Pension
June 30,	Rate	Amount	Expense
2019	7.971%	\$ 4,191,444	-

The contributions made by the State during the fiscal year ended June 30, 2019 included amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional \$2.2 Billion to CalSTRS and \$904 Million to CalPERS during the 2018-19 fiscal year in order to reduce employer contribution rates in 2019-20 and 2020-21. In addition, the State contributed an additional \$1.1 Billion to CalSTRS during the 2019-20 fiscal year as a continuing settlement associated with SB90. As a result, on behalf contributions for the years ended June 30, 2019 and June 30, 2020 are not comparable to the year June 30, 2018 as presented.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

d. Contributions Recognized

For the fiscal year ended June 30, 2020 (measurement period June 30, 2019), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 27,036,889	\$ 10,543,364	\$ 37,580,253
Contributions - State On Behalf Payments	16,329,649	-	16,329,649
Total Contributions	<u>\$ 43,366,538</u>	<u>\$ 10,543,364</u>	<u>\$ 53,909,902</u>

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 21,943,551	\$ 7,647,157	\$ 29,590,708
Contributions - State On Behalf Payments	16,329,649	-	16,329,649
Total Contributions	<u>\$ 38,273,200</u>	<u>\$ 7,647,157</u>	<u>\$ 45,920,357</u>

2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability
CalSTRS	\$ 256,400,777
CalPERS	<u>108,807,439</u>
Total	<u>\$ 365,208,216</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to measurement date June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2019 and June 30, 2020 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2019	0.28635%	0.15488%	0.44123%	0.36928%
Proportion June 30, 2020	0.28389%	0.16026%	0.44415%	0.37334%
Change in Proportion	-0.00246%	0.00538%	0.00292%	0.00406%

*Represents State's Proportionate Share on behalf of District employees.

a. Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ (6,770,311)	\$ 10,346,032	\$ 3,575,721
State On Behalf Pension Expense	5,161,980	-	5,161,980
Employer Contributions to Pension Expense	27,036,889	10,543,364	37,580,253
(Increase) Decrease in Deferred Outflows of Resources	15,614,286	1,265,886	16,880,172
Increase (Decrease) in Deferred Inflows of Resources	(5,413,933)	735,279	(4,678,654)
Total Pension Expense	\$ 35,628,911	\$ 22,890,561	\$ 58,519,472

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

b. Deferred Outflows and Inflows of Resources

At June 30, 2020, The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent of measurement date	\$ 27,036,889	\$ 10,543,364	\$ 37,580,253
Differences between actual and expected experience	512,205	9,349,864	9,862,069
Changes in assumptions	21,382,523	7,816,713	29,199,236
Changes in employer's proportionate share	11,965,135	1,921,859	13,886,994
Net difference between projected and actual earnings	-	-	-
Total Deferred Outflows of Resources	<u>\$ 60,896,752</u>	<u>\$ 29,631,800</u>	<u>\$ 90,528,552</u>

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (4,685,739)	\$ -	\$ (4,685,739)
Changes in assumptions	-	-	-
Changes in employer's proportionate share	(3,056,408)	(44,989)	(3,101,397)
Net difference between projected and actual earnings	<u>(16,050,323)</u>	<u>(1,052,474)</u>	<u>(17,102,797)</u>
Total Deferred Inflows of Resources	<u>\$ (23,792,470)</u>	<u>\$ (1,097,463)</u>	<u>\$ (24,889,933)</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2020. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2021	\$ 42,090,615	\$ 18,057,660	\$ (10,133,132)	\$ 865,111	\$ 50,880,254
2022	15,053,725	7,227,805	(8,891,735)	(1,953,437)	11,436,358
2023	3,624,360	3,085,269	(3,034,668)	(295,150)	3,379,811
2024	128,052	1,261,066	(798,173)	286,013	876,958
2025	-	-	(934,760)	-	(934,760)
Thereafter	-	-	(2)	-	(2)
Total	<u>\$ 60,896,752</u>	<u>\$ 29,631,800</u>	<u>\$ (23,792,470)</u>	<u>\$ (1,097,463)</u>	<u>\$ 65,638,619</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2020 were based on actuarial valuations determined using the following actuarial assumptions:

	<u>CalSTRS</u>	<u>CalPERS</u>
Fiscal Year	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2019	June 30, 2019
Valuation Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

- (1) CalSTRS post retirement benefit increases assumed at 2% simple for DB (annually) maintaining 85% purchasing power level for DB. Increases are not applicable for DBS/CBB.
- (2) CalSTRS projects mortality by setting the projection scale equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) tables issued by the Society of Actuaries.
- (3) Wage growth is a component of inflation for CalPERS assumptions.
- (4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.
- (5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the Discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. The last ALM completed by CalSTRS was conducted in 2015. CalSTRS is in process of completing the next ALM with an initial expected completion date of November 2019. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

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

CalSTRS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Global Equity	47.00%	4.80%
Fixed Income	12.00%	1.30%
Real Estate	13.00%	3.60%
Private Equity	13.00%	6.30%
Risk Mitigating Strategies	9.00%	1.80%
Inflation Sensitive	4.00%	3.30%
Cash/Liquidity	2.00%	-0.40%

*20 year average

CalPERS

Asset Class*	Assumed Asset Allocation	Real Return Years 1-10**	Real Return Years 11+***
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

*In the basic financial statements, fixed income is included in global debt securities; liquidity is included in short term investments; inflation assets are included in both global equity securities and global debt securities.

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

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

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, 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 or 1 percentage point higher than the current rate:

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	6.15%
Net Pension Liability	\$ 382,206,920	\$ 143,355,100
Current Discount Rate	7.10%	7.15%
Net Pension Liability	\$ 256,400,777	\$ 108,807,439
1% Increase	8.10%	8.15%
Net Pension Liability	\$ 160,348,478	\$ 61,215,662

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

3. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2019					
(Previously Reported)	\$ 1,397,701,304	\$ 992,184,660	\$ 405,516,644	\$ 142,345,556	\$ 263,171,088
Changes for the year:					
CalSTRS Auditor Adjustment	-	(8,079)	8,079	2,916	5,163
Change in prop. share	9,262,572	6,575,212	2,687,360	4,945,515	(2,258,155)
Service cost	31,334,712	-	31,334,712	11,306,414	20,028,298
Interest	99,746,982	-	99,746,982	35,991,415	63,755,567
Difference between expected and actual experience	(8,203,432)	-	(8,203,432)	(2,960,021)	(5,243,411)
Change in benefits	142,128	-	142,128	51,284	90,844
Contributions:					
Employer	-	25,069,865	(25,069,865)	(9,045,887)	(16,023,978)
Employee	-	16,202,551	(16,202,551)	(5,846,320)	(10,356,231)
State On Behalf	-	23,694,729	(23,694,729)	(8,549,700)	(15,145,029)
Net investment income	-	66,168,576	(66,168,576)	(23,875,416)	(42,293,160)
Other income	-	566,747	(566,747)	(204,498)	(362,249)
Benefit payments, including refunds of employee contributions	(67,936,942)	(67,936,942)	-	-	-
Administrative expenses	-	(1,127,930)	1,127,930	406,988	720,942
Borrowing costs	-	(467,716)	467,716	168,764	298,952
Other expenses	-	(18,987)	18,987	6,851	12,136
Net changes	<u>64,346,020</u>	<u>68,718,026</u>	<u>(4,372,006)</u>	<u>2,398,305</u>	<u>(6,770,311)</u>
Balance at June 30, 2020	<u>\$ 1,462,047,324</u>	<u>\$ 1,060,902,686</u>	<u>\$ 401,144,638</u>	<u>\$ 144,743,861</u>	<u>\$ 256,400,777</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

CalPERS

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2019			
(Previously Reported)	\$ 337,739,928	\$ 239,278,521	\$ 98,461,407
Changes for the year:			
Change in prop. share	3,715,076	2,632,019	1,083,057
Service cost	8,313,548	-	8,313,548
Interest	24,504,387	-	24,504,387
Difference between expected and actual experience	5,222,280	-	5,222,280
Change in assumptions	-	-	-
Contributions:			
Employer	-	9,437,036	(9,437,036)
Employee	-	3,785,940	(3,785,940)
Plan to plan res. movement	-	1,134	(1,134)
Net Investment income	-	15,724,904	(15,724,904)
Benefit payments, including refunds of employee contributions	(16,230,723)	(16,230,723)	-
Administrative expenses	-	(172,332)	172,332
Other expenses	-	558	(558)
Net changes	25,524,568	15,178,536	10,346,032
Balance at June 30, 2020	\$ 363,264,496	\$ 254,457,057	\$ 108,807,439

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

N. Postemployment Benefits Other than Pension Benefits (OPEB)

A. Plan Description

The California Public Employees Retirement System (CalPERS) administers the Chula Vista Elementary School District Retiree Benefits Plan (Plan) through the California Employers' Retiree Benefit Trust (CERBT). The plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for employee groups as follows:

The District provides the ability to enroll in retiree health benefits (including medical, dental and vision) to eligible retirees and their dependents. The District's financial obligation is to pay for retiree medical for the retiree only coverage to age 65 subject to an annual maximum benefit allotment. The retiree pays for any amounts above the annual maximum and for the cost of covering dependents. Retirees can elect dental and vision coverage on a self-pay basis. The District does not contribute any retiree health benefits beyond the retiree's attainment of age 65. The current applicable maximum benefit allotments and eligibility for coverage are described below.

Certificated Employees (Including Charter Schools)

Benefits are covered with an annual maximum of \$7,000 (prior to January 1, 2019, the annual maximum was \$6,500) and is subject to additional increases through collective bargaining. The District also provides \$1,200 for any eligible retiree waiving coverage provided the employee was on a waiver effective January 1, 2016 and remained on a waiver to retirement. Certificated charter school employees are eligible for the \$1,200, regardless of current or future coverage status. Eligibility for retiree health coverage requires retirement under CalSTRS or CalPERS on or after age 55 with at least 10 years of service (5 years for employees hired prior to October 1, 2007). Certificated staff that were not on waiver prior to January 1, 2016 cannot choose waiver coverage.

Classified Employees (Including Charter Schools)

For classified employees who were benefit eligible prior to 2008, and who retire with at least 10 years of continuous service, the last 5 years of which must be benefit eligible service shall be grandfathered to a District post-employment health care benefit contribution that is based on employee years of service and retirement age with the highest amount being \$8,009. The District also provides \$1,200 for any eligible retiree waiving coverage.

For those classified employees hired on or after 2008, and who retire with at least ten years of continuous service, the last ten of which are benefit eligible service, the District shall contribute an amount up to the maximum of \$6,500 to be applied toward the monthly premium of the District group medical insurance program until the employee reaches age 65 (prior to January 1, 2019 the annual maximum was \$6,000). The District also provides \$1,200 for any eligible retiree waiving coverage.

Eligibility for retiree health coverage requires retirement under CalPERS or CalSTRS on or after age 55 with at least 10 years of continuous service. The last 10 years (5 years for employees who had health benefits prior to 2008) must be benefit eligible service.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Non-Represented Employees

Benefits are covered with an annual maximum for Certificated non-represented employees is \$4,278 effective January 1, 2019 (prior to January 1, 2019 the annual maximum was \$3,778). For all other classified non-represented employees who were benefit eligible prior to 2008, and who retire with at least 10 years of continuous service, the last 5 years of which must be benefit eligible service shall be grandfathered to a District post-employment health care benefit contribution that is based on employee years of service and retirement age. The District also provides \$1,200 for any eligible retiree waiving coverage.

For any classified non-represented employee hired on or after 2008, and who retire with at least ten years of continuous service, the last ten years of which are benefit eligible service, the District shall contribute an amount up to the maximum of \$6,500 to be applied toward the monthly premium of the District group medical insurance until the employee reaches age 65. The District also provides \$1,200 for any eligible retiree waiving coverage.

Eligibility for retiree health coverage requires retirement under CalPERS or CalSTRS on or after age 55 with at least 10 years of service (5 years of service for non-represented certificated employees hired prior to October 1, 2007).

Board Representation

Management of the Plan are vested in the CalPERS Board, which consists of thirteen members. The Board is made up of:

Six Elected Members – Two elected by and from all CalPERS members. One elected by and from all active state members. One elected by and from all active CalPERS school members. One elected by and from all active CalPERS public agency members. Finally, one elected by and from retired members of CalPERS.

Three Appointed Members – Two appointed by the Governor consisting of an elected official of a local government and an official of a life insurer. One appointed jointly by the Speaker of the Assembly and the Senate Rules Committee.

Four Ex Officio Members – The State Treasurer, the State Controller, the Director of the California Department of Human Resources, and a Representative of the State Personnel Board

Employees Covered by Benefit Terms

At measurement date, June 30, 2020, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	164
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>3,090</u>
	<u><u>3,254</u></u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Benefits Provided

In general, the District provides medical benefits to eligible retirees through age 65 up to an annual maximum. Effective in 2007, eligibility for retiree health benefits requires at least 10 years (5 years for certificated employees hired prior to October 1, 2007) of service and retirement under CalSTRS or CalPERS on or after age 55. Detailed plan provisions applicable to each employee group are notated above. The District participates in several partially experienced rated insurance products for its retiree medical coverage. The premiums billed for retiree medical coverage under age 65 are the same as those for active medical coverage resulting in a rate subsidy.

Contributions

The District makes contributions to CERBT to fund as much of the OPEB liability as determined feasible in current operating budget. Contributions are determined by management of the District based on budget implications. Plan members are not required to contribute to the plan.

B. Investments

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the CalPERS Board by a majority vote of its members. It is the policy of CalPERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The CERBT provides participating employers with the choice of three investment allocation strategies. The expected rate of return of assets is dependent on the funding strategy of a participating employer and which investment allocation strategy is selected. For employers fully funding their annual required contribution, strategy 1 has a CERBT published median yield of 7.28%, strategy 2 has a published median yield of 6.73%, and strategy 3 has a published median of 6.12%. The District has elected to participate in CERBT Strategy 1. The Objective of CERBT Strategy 1 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Investment Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. Generally equities are intended to help build the value of the Plans portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

The CERBT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	59%	+ or - 5%	MSCI All Country World Indx IMI (net)
Fixed Income	25%	+ or - 5%	Bloomberg Barclays Long Liability Index
Treasury Inflation Protected Securities (TIPS)	5%	+ or - 3%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts	8%	+ or - 5%	FTSE EPRA/NAREIT Developed Liquid Index
Commodities	3%	+ or - 3%	S&P GSCI Total Return Index
Cash	0%	+ 2%	91 Day Treasury Bill

Target Allocations were approved by the CalPERS Board at the October 2018 Investment Committee Meeting.

Concentrations

The Plan holds investments explicitly in the CERBT Strategy 1 portfolio which represents an amount greater than 5% of the Plan's fiduciary net position.

Performance

For the year ended June 30, 2020, the CERBT Strategy 1 performed as follows:

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (June 1, 2007)
Gross Return ^{1,3}	3.54%	10.72%	7.95%	11.61%	7.70%	8.33%	8.59%	5.36%
Net Return ^{2,3}	3.53%	10.69%	7.93%	11.51%	7.61%	8.23%	8.49%	5.29%
Benchmark Returns	3.53%	10.64%	7.91%	11.18%	7.37%	7.90%	8.28%	4.93%
Standard Deviation ⁴	-	-	-	-	11.75%	10.11%	9.97%	12.82%

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

*Returns for periods greater than one year are annualized

¹Gross performance figures are provided net of SSGA operating expenses.

²Net performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³See expenses below.

⁴Standard deviation is based on gross returns.

The time-weighted rate of return for CERBT Strategy 1 was 6.5% as of the most recent CalPERS investment report dated June 30, 2019.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction in investment return. Currently, CERBT expense ratios are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

C. Net OPEB Liability of the District and the Plan

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal Year	July 1 st to June 30 th
Measurement Date	June 30, 2020
Funding Policy	Pay-as-you-go
Asset Return	7.0% per annum
Discount Rate	2.93% per annum
Inflation	2.75% per annum
Salary Increases	3.0% per annum
Pre-retirement Turnover	Utilizes the Crocker-Sarason T-5 Turnover Table
Mortality Rates	Utilizes the RPH 2014 mortality table with generational improvements utilizing MP 2018
Retirement Rates	Ranges from 7.5% to 100% based on age with 100% retiring by age 70.
Retirement Eligibility Age	55 for CalSTRS members, 50 for CalPERS members
Participant Rates	85% of future active employees are assumed to elect retiree health coverage at retirement. 75% are assumed to elect Kaiser HMO 10 Plan and the remainder to select HMO Network or the Network 1 HMO.
Spouse Coverage	15% of future retirees electing coverage are assumed to elect coverage for their spouse. Spouses are assumed to be the same age as retiree.
Average Claim Costs	Based on premiums and fundraising, expected claims are expected to range from \$9,793 to \$12,580
Medical Trend Rates	From 5.0% to 7.0%

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Discount Rate

The discount rate of 2.93% is a blended rate between the rate of return at 7.00% and 2.66%, the resulting rate using the average of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

The discount rate has decreased from the June 30, 2019 discount rate of 3.41%.

Actuarial Cost Method

The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the cost is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. As required by GASB 75, the normal cost is calculated to remain level as a percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.

Actuarial Value of Assets

Any assets of the plan are valued on a market value basis.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	59%	5.50%
Fixed Income	25%	2.35%
Treasury Inflation Protected Securities (TIPS)	5%	1.50%
Real Estate Investment Trusts	8%	3.65%
Commodities	3%	1.75%
Cash	0%	0.00%

Long-term expected rate of return is 7.00%.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2019	\$ 51,710,221	\$ 16,809,954	\$ 34,900,267
Changes for the year:			
Service cost	3,847,278	-	3,847,278
Interest	1,859,675	-	1,859,675
Changes of benefit terms	846,650	-	846,650
Changes of assumptions	2,057,498	-	2,057,498
Contributions - employer	-	1,136,897	(1,136,897)
Net investment income	-	586,126	(586,126)
including refunds of	(2,043,135)	(2,043,135)	-
Administrative expenses	-	(8,161)	8,161
Other expenses	-	-	-
Net change	<u>6,567,966</u>	<u>(328,273)</u>	<u>6,896,239</u>
Balance at June 30, 2020	<u>\$ 58,278,187</u>	<u>\$ 16,481,681</u>	<u>\$ 41,796,506</u>

Sensitivity of the net OPEB liability to changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Valuation		
	1% Decrease (1.93%)	Discount Rate (2.93%)	1% Increase (3.93%)
Net OPEB Liability	\$ 46,390,730	\$ 41,796,506	\$ 37,532,895

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Sensitivity of the net OPEB liability to changes in the health care cost trend rates

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trends Rate</u>	<u>1% Increase</u>
	5.50%	6.50%	7.50%
	Decreasing to	Decreasing to	Decreasing to
	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 35,305,729	\$ 41,796,506	\$ 49,399,654

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in the fiduciary fund financial statements found in the Basic Financial Statements section of this report.

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$5,564,259. At June 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expect experience	\$ 35,690	\$ -
Changes of assumptions	6,953,685	(1,209,718)
Differences between projected and actual earnings	<u>540,383</u>	<u>(58,278)</u>
Total	<u>\$ 7,529,758</u>	<u>\$ (1,267,996)</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Effect on OPEB Expense</u>
2021	\$ 1,264,921	\$ (271,083)	\$ 993,838
2022	1,264,923	(271,083)	993,840
2022	1,264,919	(241,943)	1,022,976
2023	1,233,746	(241,943)	991,803
2024	1,122,028	(241,943)	880,085
Thereafter	1,379,221	(1)	1,379,220
Total	<u>\$ 7,529,758</u>	<u>\$ (1,267,996)</u>	<u>\$ 6,261,762</u>

Payables to the OPEB Plan

At June 30, 2020, the District did not have any payables to the OPEB plan outstanding.

O. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

P. Participation in Joint Powers Authorities

The District is a member of three joint powers agreements (JPA) entities, the San Diego County Schools Risk Management (SDCSRM), the San Diego County Schools Fringe Benefits Consortium (SDCSFBC), and Self-Insured Schools of California (SISC) for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

Q. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

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

2. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District as of June 30, 2020.

3. Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Expected Date of Completion*</u>
Construction in Process:		
CNS Freezer	\$ 497,000	November 2020
Electric Bus Charging Station	754,000	March 2021
HVAC and Roof Replacement	10,500,000	June 2021
Modernization - Feaster	13,600,000	August 2020
Phone System Replacement	199,000	June 2021
School 47	55,000,000	June 2022

*Expected date of completion subject to change

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

R. Deferred Outflows of Resources

The District issued refunding bonds in July 2013 and as a result of the calculated gain or loss, a loss on refunding in the amount of \$1,104,136 was recognized as a deferred outflow of resources. The loss on refunding will be amortized over sixteen years based on the debt service of the new refunding bonds.

The District issued refunding certificates of participation (COPs) in November 2014 and as a result of the calculated gain or loss, a loss on refunding in the amount of \$2,500,300 was recognized as a deferred outflow of resources. The loss on refunding will be amortized over seventeen years based on the debt service of the certificates of participation.

The District issued refunding certificates of participation (COPs) in March 2016 and as a result of the calculated gain or loss, a loss on refunding in the amount of \$510,436 was recognized as a deferred outflow of resources. The loss on refunding will be amortized over six years based on the debt service of the certificates of participation.

The District issued certificates of participation (COPs) in June 2020 which included pre-paid debt insurance in the cost of issuance. The pre-paid debt insurance of \$33,600 has been recorded as a deferred outflow of resources to be amortized over the life of the debt.

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2020 is as follows:

Description	Issue Date	Amortization Term	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Loss - 2013 Bonds	7/10/2013	16 Years	\$ 695,833	\$ -	\$ 69,009	\$ 626,824
Refunding Loss - 2014 COPs	12/2/2014	17 Years	1,826,222	-	147,078	1,679,144
Refunding Loss - 2016 COPs	4/7/2016	6 Years	233,949	-	85,073	148,876
Prepaid Debt Insurance - 2020 COPs	2/19/2020	29 Years	-	33,600	1,120	32,480
Pension Related						
CalSTRS	Varies	Varies	76,511,038	27,036,889	42,651,175	60,896,752
CalPERS	Varies	Varies	30,897,686	16,848,701	18,114,587	29,631,800
OPEB Related	Varies	Varies	6,178,614	2,616,065	1,264,921	7,529,758
Total Deferred Outflows of Resources			<u>\$ 116,343,342</u>	<u>\$ 46,535,255</u>	<u>\$ 62,332,963</u>	<u>\$ 100,545,634</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Future amortization of deferred outflows is as follows:

Year Ending June 30,	Refunding Losses	Prepaid Insurance	Pension Related	OPEB Related	Total
2021	\$ 301,160	\$ 1,120	\$ 60,148,275	\$ 1,264,921	\$ 61,715,476
2022	279,890	1,120	22,281,530	1,264,923	23,827,463
2023	216,087	1,120	6,709,629	1,264,919	8,191,755
2024	216,087	1,120	1,389,118	1,233,746	2,840,071
2025	216,087	1,120	-	1,122,028	1,339,235
Thereafter	1,225,533	26,880	-	1,379,221	2,631,634
Total	<u>\$ 2,454,844</u>	<u>\$ 32,480</u>	<u>\$ 90,528,552</u>	<u>\$ 7,529,758</u>	<u>\$100,545,634</u>

S. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB statement have been recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred inflows of resources.

A summary of the deferred inflows of resources as of June 30, 2020 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	\$ 29,206,403	\$ 4,560,486	\$ 9,974,419	\$ 23,792,470
CalPERS	362,184	(1,430,061)	(2,165,340)	1,097,463
OPEB Related	1,539,079	-	271,083	1,267,996
Total Deferred Inflows of Resources	<u>\$ 31,107,666</u>	<u>\$ 3,130,425</u>	<u>\$ 8,080,162</u>	<u>\$ 26,157,929</u>

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related	OPEB Related	Total
2021	\$ 9,268,021	\$ 271,083	\$ 9,539,104
2022	10,845,172	271,083	11,116,255
2023	3,329,818	241,943	3,571,761
2024	512,160	241,943	754,103
2025	934,760	241,943	1,176,703
Thereafter	2	1	3
Total	<u>\$ 24,889,933</u>	<u>\$ 1,267,996</u>	<u>\$ 26,157,929</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

T. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Fiscal Year Effective
GASB Statement 84, Fiduciary Activities	01/2017	2020-21
GASB Statement 87, Leases	06/2017	2021-22
GASB Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period	06/2018	2021-22
GASB Statement 90, Majority Equity Interest – an amendment of GASB Statements 14 and 61	08/2018	2020-21
GASB Statement 91, Conduit Debt Obligations	05/2019	2022-23
GASB Statement 92, Omnibus 2020	01/2020	2021-22
GASB Statement 93, Replacement of Interbank Offered Rates	03/2020	2020-21
GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements	03/2020	2022-23
GASB Statement 96, Subscription-Based Information Technology Arrangements	05/2020	2022-23
GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements 14, 84 and supersession of GASB Statement 32	06/2020	2021-22
GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019	04/2019	2020-21
GASB Implementation Guide No. 2019-2, Fiduciary Activities	06/2019	2020-21
GASB Implementation Guide No. 2019-3, Leases	08/2019	2021-22
GASB Implementation Guide No. 2020-1, Implementation Guidance Update – 2020	04/2020	2021-22

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

U. COVID-19 Considerations

In March 2020 the World Health Organization declared the outbreak of the novel coronavirus COVID-19 a global pandemic. The nature of the pandemic resulted in a mandatory school property closure affecting the Chula Vista Elementary School District from March 16, 2020 and continuing into the Fall of 2020-21 school year. California Governor Gavin Newsom issued a state-wide executive order mandating that schools remain closed until the county in which the school is located is off the COVID-19 watch list for fourteen consecutive days. The 2020-21 fiscal year opened in a fully distance learning model, until such time as campuses can be re-opened. At this point in time the Chula Vista Elementary School District campuses remain closed until San Diego County meets the benchmark requirements.

In addition to school closures, new regulations and safety measures were required to be put in place by all schools in California as part of a re-opening plan. The Chula Vista Elementary School District has established a re-opening plan that they believe will provide a safe environment for the students and teachers.

The federal and state government have established temporary funding to assist in the additional costs that resulted from the COVID-19 pandemic. All California school districts are eligible for these funds. Due to timing of the grant disbursements, the Chula Vista School District did not expend any of the funds in the 2019-20 fiscal year. The funds remain available for the 2020-21 fiscal year. Additionally, for the 2019-20 fiscal year, the state placed all school districts in a hold harmless state shifting attendance reporting periods to a point prior to the pandemic to prevent sudden losses of attendance from impacting funding for the 2019-20 fiscal year. Finally, funding for the 2020-21 fiscal year is frozen at amounts provided in 2019-20 for all California school districts, with adjustments based on the Governor's budget. The District has established their 2020-21 budget with this in consideration.

V. Subsequent Events

New Bond Issuance

On August 7, 2020 the District issued \$50,000,000 In Election of 2020 General Obligation Bonds, Series A. The bonds were issued to finance the renovation, construction, acquisition, furnishing and equipping of classrooms, schools, sites, and facilities of the District and paying the costs related thereto as authorized by the voters at the March 3, 2020 election and to pay a portion of the interest due on the 2020 Bonds through August 1, 2023 and to pay the costs of issuing the 2020 Bonds.

The 2020 Bonds are general obligation bonds of the District payable solely from ad valorem property taxes levied on taxable property within the District. The Board of Supervisors of the County of San Diego is empowered and is obligated to levy the ad valorem taxes, without limitation of rate or amount, upon property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of interest and principal of the 2020 Bonds when due.

Interest on the 2020 Bonds is 2.00% payable semi-annually. Principal amounts mature annually on August 1st through August 1, 2027.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2020

Issuance of Tax Revenue Anticipation Notes

On August 25, 2020 The District issued \$20,000,000 in Tax Revenue Anticipation Notes (TRANs) as a part of the County of San Diego and San Diego County School Districts Tax and Revenue Anticipation Note Program, Series 2020. The TRANs bear interest of 3.00% with principal and interest due February 1, 2021. The TRANs were issued to supplement cash flows.

Required Supplementary Information

Chula Vista Elementary School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
LCFF Sources				
State Apportionment	\$ 101,776,118	\$ 110,547,364	\$ 109,990,628	\$ (556,736)
Education Protection Account	32,357,335	18,295,632	18,296,480	848
Property Taxes	80,082,046	85,836,997	86,405,833	568,836
Federal Revenue	15,977,947	16,006,517	16,047,902	41,385
Other State Revenue	24,451,790	29,613,916	29,426,382	(187,534)
Interest Income	320,000	840,050	1,323,686	483,636
Other Local Revenue	29,777,838	30,522,678	29,902,844	(619,834)
Total Revenues	<u>284,743,074</u>	<u>291,663,154</u>	<u>291,393,755</u>	<u>(269,399)</u>
Expenditures				
Current Expenditures:				
Certificated Salaries	132,222,406	131,830,221	132,163,594	(333,373)
Classified Salaries	49,620,206	47,679,526	47,654,242	25,284
Employee Benefits	74,350,744	78,383,708	78,389,261	(5,553)
Books and Supplies	8,459,361	6,200,817	5,177,448	1,023,369
Services and Other Operating	28,563,759	28,046,208	27,286,176	760,032
Other Outgo	1,295,061	1,440,173	1,116,375	323,798
Transfers of Indirect Costs	(632,428)	(388,308)	(396,986)	8,678
Capital Outlay	510,477	284,714	416,032	(131,318)
Debt Service				
Principal	-	-	107,453	(107,453)
Interest	-	-	660	(660)
Total Expenditures	<u>294,389,586</u>	<u>293,477,059</u>	<u>291,914,255</u>	<u>1,562,804</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,646,512)</u>	<u>(1,813,905)</u>	<u>(520,500)</u>	<u>1,293,405</u>
Other Financing Sources (Uses)				
Proceeds from Capital Leases	-	97,472	151,815	54,343
Net Financing Sources (Uses)	<u>-</u>	<u>97,472</u>	<u>151,815</u>	<u>54,343</u>
Net Change in Fund Balance	(9,646,512)	(1,716,433)	(368,685)	1,347,748
Fund Balance - Beginning of Year	<u>44,244,490</u>	<u>44,244,490</u>	<u>44,244,490</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 34,597,978</u>	<u>\$ 42,528,057</u>	<u>\$ 43,875,805</u>	<u>\$ 1,347,748</u>

See Accompanying Notes to Required Supplementary Information

Chula Vista Elementary School District

Budgetary Comparison Schedule – Charter School Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
LCFF Sources				
State Apportionment	\$ 30,231,139	\$ 25,986,800	\$ 30,802,932	\$ 4,816,132
Education Protection Account	8,914,106	9,833,794	5,001,492	(4,832,302)
Property Taxes	19,410,509	21,581,613	21,352,750	(228,863)
Federal Revenue	2,315,641	2,037,627	1,988,228	(49,399)
Other State Revenue	3,980,384	5,085,081	5,342,565	257,484
Interest Income	166,230	339,292	388,698	49,406
Other Local Revenue	336,439	383,466	413,739	30,273
Total Revenues	<u>65,354,448</u>	<u>65,247,673</u>	<u>65,290,404</u>	<u>42,731</u>
Expenditures				
Current Expenditures:				
Certificated Salaries	27,582,229	27,295,428	27,315,239	(19,811)
Classified Salaries	6,037,643	5,704,663	5,702,088	2,575
Employee Benefits	12,958,587	13,912,935	13,818,163	94,772
Books and Supplies	3,375,850	2,202,447	1,848,313	354,134
Services and Other Operating	16,260,066	14,961,511	14,326,506	635,005
Other Outgo	-	-	12,514	(12,514)
Capital Outlay	484,000	391,500	605,328	(213,828)
Debt Service				
Principal	-	-	62,691	(62,691)
Interest	-	-	1,173	(1,173)
Total Expenditures	<u>66,698,375</u>	<u>64,468,484</u>	<u>63,692,015</u>	<u>776,469</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,343,927)</u>	<u>779,189</u>	<u>1,598,389</u>	<u>819,200</u>
Other Financing Sources (Uses)				
Proceeds from Capital Leases	-	-	65,193	65,193
Transfers Out	(594,163)	(594,163)	(594,163)	-
Net Financing Sources (Uses)	<u>(594,163)</u>	<u>(594,163)</u>	<u>(528,970)</u>	<u>65,193</u>
Net Change in Fund Balance	(1,938,090)	185,026	1,069,419	884,393
Fund Balance - Beginning of Year	<u>19,371,074</u>	<u>19,371,074</u>	<u>19,371,074</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 17,432,984</u>	<u>\$ 19,556,100</u>	<u>\$ 20,440,493</u>	<u>\$ 884,393</u>

See Accompanying Notes to Required Supplementary Information

Chula Vista Elementary School District

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

Last Ten Fiscal Years*

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset)	0.2839%	0.2863%	0.2674%	0.2629%	0.2722%	0.2486%	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$256,400,777	\$263,171,088	\$247,331,021	\$212,619,782	\$183,229,918	\$145,264,393	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	144,743,860	143,233,406	152,177,171	128,453,909	101,241,699	84,681,976	N/A	N/A	N/A	N/A
Total	<u>\$401,144,637</u>	<u>\$406,404,494</u>	<u>\$399,508,192</u>	<u>\$341,073,691</u>	<u>\$284,471,617</u>	<u>\$229,946,369</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll**	152,068,960	141,405,525	141,405,525	130,607,697	125,770,927	110,149,188	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.61%	186.11%	174.91%	162.79%	145.69%	131.88%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

See Accompanying Notes to Required Supplementary Information

Chula Vista Elementary School District
Schedule of the District's Contributions - CalSTRS
Last Ten Fiscal Years*

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 27,036,889	\$ 24,841,878	\$ 21,943,551	\$ 17,788,815	\$ 14,014,206	\$ 11,168,458	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>(27,036,889)</u>	<u>(24,841,878)</u>	<u>(21,943,551)</u>	<u>(17,788,815)</u>	<u>(14,014,206)</u>	<u>(11,168,458)</u>	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll**	\$158,110,462	\$152,591,388	\$152,068,960	\$141,405,525	\$130,607,697	\$125,770,927	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on the fiscal year.

Chula Vista Elementary School District

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

Last Ten Fiscal Years*

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset)	0.3733%	0.3693%	0.3667%	0.3580%	0.3595%	0.3469%	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$108,807,439	\$ 98,461,407	\$ 87,540,013	\$ 70,709,101	\$ 52,997,397	\$ 39,379,678	N/A	N/A	N/A	N/A
District's covered payroll**	\$ 52,247,946	\$ 49,238,021	\$ 47,097,408	\$ 43,354,984	\$ 39,983,840	\$ 36,473,082	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	208.25%	199.97%	185.87%	163.09%	132.55%	107.97%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

See Accompanying Notes to Required Supplementary Information

Chula Vista Elementary School District
Schedule of the District's Contributions - CalPERS
Last Ten Fiscal Years*

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 10,543,364	\$ 9,437,024	\$ 7,647,157	\$ 6,540,888	\$ 5,136,265	\$ 4,706,498	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(10,543,364)	(9,437,024)	(7,647,157)	(6,540,888)	(5,136,265)	(4,706,498)	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
District's covered payroll**	\$ 53,462,624	\$ 52,247,946	\$ 49,238,021	\$ 47,097,408	\$ 43,354,984	\$ 39,983,840	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on the fiscal year.

Chula Vista Elementary School District

Schedule of Changes in the District's Net OPEB Liability and Related Ratios – CVESD Retiree Health Benefit Plan

Last Ten Fiscal Years*

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability:										
Service cost	\$ 3,847,278	\$ 2,853,372	\$ 2,953,889	\$ 3,138,563	N/A	N/A	N/A	N/A	N/A	N/A
Interest	1,859,675	2,188,955	1,872,800	1,563,808	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	-	1,164,376	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	-	47,586	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	2,057,498	6,871,166	(1,935,574)	-	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(2,043,135)	(1,966,958)	(1,638,242)	(1,724,807)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	5,721,316	11,158,497	1,252,873	2,977,564	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	51,710,221	40,551,724	39,298,851	36,321,287	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 57,431,537</u>	<u>\$ 51,710,221</u>	<u>\$ 40,551,724</u>	<u>\$ 39,298,851</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position:										
Contributions - employer	\$ 1,136,897	\$ 995,459	\$ 2,599,144	\$ 3,287,739	N/A	N/A	N/A	N/A	N/A	N/A
Contributions - employee	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	586,126	986,073	1,204,287	1,353,456	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(2,043,135)	(1,966,958)	(1,638,242)	(1,864,078)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(8,161)	(8,048)	(8,024)	(6,985)	N/A	N/A	N/A	N/A	N/A	N/A
Other expenses	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	(328,273)	6,526	2,157,165	2,770,132	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	16,809,954	16,803,428	14,646,263	11,876,131	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending	<u>\$ 16,481,681</u>	<u>\$ 16,809,954</u>	<u>\$ 16,803,428</u>	<u>\$ 14,646,263</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net OPEB liability	<u>\$ 40,949,856</u>	<u>\$ 34,900,267</u>	<u>\$ 23,748,296</u>	<u>\$ 24,652,588</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position as a percentage of total OPEB liability	28.70%	32.51%	41.44%	37.27%						
Covered payroll	207,256,289	201,219,698	184,304,000	184,304,000	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	19.76%	17.34%	12.89%	13.38%	N/A	N/A	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

See Accompanying Notes to Required Supplementary Information

Chula Vista Elementary School District

Schedule of the District's Contributions – CVESD Retiree Health Benefit Plan

Last Ten Fiscal Years*

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(1,136,897)	(995,459)	(2,599,144)	(3,287,739)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ (1,136,897)</u>	<u>\$ (995,459)</u>	<u>\$ (2,599,144)</u>	<u>\$ (3,287,739)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll**	207,256,289	201,219,698	184,304,000	184,304,000	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	0.549%	0.495%	1.410%	1.784%	N/A	N/A	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The Plan does not have actuarially determined contributions.

Chula Vista Elementary School District

Schedule of Investment Returns – CVESD Retiree Health Benefit Plan

For the Year Ended June 30, 2020

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2020	6.5%
2019	7.3%
2018	7.2%
2017	10.0%
2016	1.6%
2015	N/A
2014	N/A
2013	N/A
2012	N/A
2011	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Chula Vista Elementary School District

Notes to Required Supplementary Information

For the Year Ended June 30, 2020

Excess of Expenditures Over Appropriations

As of June 30, 2020, the District's expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
General Fund:		
Certificated Salaries	\$ 333,373	The District underestimated salary increases associated with bargaining agreements.
Employee Benefits	5,553	The District underestimated employee benefit increases.
Capital Outlay	131,318	The District underestimated the cost of equipment replacement.
Debt Service	108,113	The District did not budget for capital lease payments.
Charter School Fund:		
Certificated Salaries	\$ 19,811	The District underestimated salary increases associated with bargaining agreements.
Other Outgo	12,514	The District did not budget for other outgo in the charter school fund.
Capital Outlay	213,828	The District underestimated the cost of equipment replacement.
Debt Service	63,864	The District did not budget for capital lease payments.

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

Chula Vista Elementary School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2020

Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: There were no changes to benefits in 2015, 2016, 2017, 2018, 2019 and 2020.
2. Changes in Assumptions: There were no changes to assumptions in 2015, 2016, 2017, 2019 and 2020. In 2018 there was a change in discount rate from 7.60% to 7.10%.

Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, 2017 and 2018 and rolling forward the total pension liabilities to the June 30, 2014, 2015, 2016, 2017, 2018 and 2019 (measurement dates). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation Date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.60%	7.60%	7.60%
Consumer Price Inflation	3.00%	3.00%	3.00%
Wage Growth (Average)	3.75%	3.75%	3.75%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2018	June 30, 2019	June 30, 2020
Measurement Date	06/30/17	06/30/18	06/30/19
Valuation Date	06/30/16	06/30/17	06/30/20
Experience Study	07/01/06 - 06/30/15	07/01/06 - 06/30/15	07/01/06 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple

CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015 experience study adopted by the CalSTRS board in February 2017. 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 CalSTRS members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries. Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

Chula Vista Elementary School District

Notes to Required Supplementary Information, Continued
For the Year Ended June 30, 2020

Schedule of District's Proportionate Share – CalPERS

- Benefit Changes: There were no changes to benefits in 2015, 2016, 2017, 2018, 2019 and 2020.
- Changes in Assumptions. There were no changes in assumptions in 2015, 2017, and 2020. In 2016 the discount rate was changed from 7.50% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS experience study and review of actuarial assumptions published December 2017. There were no changes to the discount rate in this period.

Schedule of District's Contributions – CalPERS

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016 and 2017 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates) used the following actuarial methods and assumptions, applied to all periods included in the measurement:

<u>Reporting Period</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation Date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/11
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%
Consumer Price Inflation	2.75%	2.75%	2.75%
Wage Growth (Average)	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple
<u>Reporting Period</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Measurement Date	06/30/17	06/30/18	06/30/19
Valuation Date	06/30/16	06/30/17	06/30/18
Experience Study	07/01/97 - 06/30/11	07/01/97 - 06/30/15	07/01/97 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.50%	7.50%
Consumer Price Inflation	2.75%	2.50%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2017 experience study report (based on demographic data from 1997 to 2015) available on the CalPERS website.

Schedule of Changes in the District’s Net OPEB Liability and Related Ratios

- 1) **Benefit Changes:** In 2020 the District made changes to benefit terms consistent with bargaining agreements. There have been no additional changes to benefits in periods being reported.
- 2) **Changes in Assumptions:** In 2018 the discount rate changed from 4.52% to 5.16%. In 2019 the discount rate changed from 5.16% to 3.41%. In 2020 the discount rate changed from 3.41% to 2.93%. There have been no additional changes in assumptions.
- 3) The following are the discount rates used for each period:

Year	Discount Rate
2017	4.52%
2018	5.16%
2019	3.41%
2020	2.93%

Schedule of District’s Contributions to OPEB Plan

The District is not currently obtaining actuarially determined contributions. The District is funding OPEB contributions on a pay-as-you-go basis through the OPEB trust.Pg

Combining Statements as Supplementary Information

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Assets				
Cash in County Treasury	\$ 979,572	\$ 9,143,062	\$ 9,496,004	\$ 19,618,638
Cash on Hand and in Banks	1,593,864	-	-	1,593,864
Accounts Receivable	1,783,000	29,540	-	1,812,540
Due from Other Funds	29,744	442,896	-	472,640
Stores Inventories	102,726	-	-	102,726
Total Assets	<u>\$ 4,488,906</u>	<u>\$ 9,615,498</u>	<u>\$ 9,496,004</u>	<u>\$ 23,600,408</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts Payable	\$ 830,013	\$ 1,689,984	\$ -	\$ 2,519,997
Due to Other Funds	215,798	35,620	-	251,418
Total Liabilities	<u>1,045,811</u>	<u>1,725,604</u>	<u>-</u>	<u>2,771,415</u>
Fund Balance:				
Nonspendable	102,726	-	-	102,726
Restricted	2,983,087	7,889,894	9,496,004	20,368,985
Assigned	357,282	-	-	357,282
Total Fund Balance	<u>3,443,095</u>	<u>7,889,894</u>	<u>9,496,004</u>	<u>20,828,993</u>
Total Liabilities and Fund Balances	<u>\$ 4,488,906</u>	<u>\$ 9,615,498</u>	<u>\$ 9,496,004</u>	<u>\$ 23,600,408</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$ -	\$ -	\$ 10,234,282	\$ 10,234,282
Federal Revenue	9,286,086	-	-	9,286,086
Other State Revenue	5,330,563	1,474,458	79,294	6,884,315
Interest	28,963	166,834	152,031	347,828
Other Local Revenue	1,457,683	1,528,153	1,652	2,987,488
Total Revenues	<u>\$ 16,103,295</u>	<u>\$ 3,169,445</u>	<u>\$ 10,467,259</u>	<u>\$ 29,739,999</u>
Expenditures				
Current Expenditures:				
Instruction	3,579,982	-	-	3,579,982
Instruction - Related Services	723,990	-	-	723,990
Pupil Services	11,229,753	-	-	11,229,753
General Administration	396,987	7,203	-	404,190
Plant Services	54,366	1,171,023	-	1,225,389
Capital Outlay	1,414,889	533,263	-	1,948,152
Debt Service:				
Principal	-	-	13,545,000	13,545,000
Interest	-	-	9,925,915	9,925,915
Total Expenditures	<u>17,399,967</u>	<u>1,711,489</u>	<u>23,470,915</u>	<u>42,582,371</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,296,672)</u>	<u>1,457,956</u>	<u>(13,003,656)</u>	<u>(12,842,372)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	13,357,186	13,357,186
Transfers Out	-	(1,437,265)	-	(1,437,265)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,437,265)</u>	<u>13,357,186</u>	<u>11,919,921</u>
Net Change in Fund Balance	(1,296,672)	20,691	353,530	(922,451)
Fund Balance, Beginning of Year	<u>4,739,767</u>	<u>7,869,203</u>	<u>9,142,474</u>	<u>21,751,444</u>
Fund Balance, End of Year	<u>\$ 3,443,095</u>	<u>\$ 7,889,894</u>	<u>\$ 9,496,004</u>	<u>\$ 20,828,993</u>

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Special Revenue Funds

June 30, 2020

	Child Development Fund	Cafeteria Fund	Pupil Transportation Fund	Total Nonmajor Special Revenue Funds
Assets				
Cash in County Treasury	\$ 652,347	\$ 309	\$ 326,916	\$ 979,572
Cash on Hand and in Banks	-	1,593,864	-	1,593,864
Accounts Receivable	515,954	1,266,374	672	1,783,000
Due from Other Funds	50	-	29,694	29,744
Stores Inventories	-	102,726	-	102,726
Total Assets	<u>\$ 1,168,351</u>	<u>\$ 2,963,273</u>	<u>\$ 357,282</u>	<u>\$ 4,488,906</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts Payable	\$ 182,661	\$ 647,352	\$ -	\$ 830,013
Due to Other Funds	215,798	-	-	215,798
Total Liabilities	<u>398,459</u>	<u>647,352</u>	<u>-</u>	<u>1,045,811</u>
Fund Balance:				
Nonspendable	-	102,726	-	102,726
Restricted	769,892	2,213,195	-	2,983,087
Assigned	-	-	357,282	357,282
Total Fund Balance	<u>769,892</u>	<u>2,315,921</u>	<u>357,282</u>	<u>3,443,095</u>
Total Liabilities and Fund Balances	<u>\$ 1,168,351</u>	<u>\$ 2,963,273</u>	<u>\$ 357,282</u>	<u>\$ 4,488,906</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Nonmajor Special Revenue Funds
 June 30, 2020

	Child Development Fund	Cafeteria Fund	Pupil Transportation Fund	Total Nonmajor Special Revenue Funds
Revenues				
Federal Revenue	\$ -	\$ 9,286,086	\$ -	\$ 9,286,086
Other State Revenue	4,684,453	646,110	-	5,330,563
Interest	21,160	7	7,796	28,963
Other Local Revenue	-	1,457,683	-	1,457,683
Total Revenues	<u>\$ 4,705,613</u>	<u>\$ 11,389,886</u>	<u>\$ 7,796</u>	<u>\$ 16,103,295</u>
Expenditures				
Current Expenditures:				
Instruction	3,579,982	-	-	3,579,982
Instruction - Related Services	723,990	-	-	723,990
Pupil Services	104,048	11,125,705	-	11,229,753
General Administration	130,390	266,597	-	396,987
Plant Services	52,988	1,378	-	54,366
Capital Outlay	-	1,414,889	-	1,414,889
Total Expenditures	<u>4,591,398</u>	<u>12,808,569</u>	<u>-</u>	<u>17,399,967</u>
Net Change in Fund Balance	114,215	(1,418,683)	7,796	(1,296,672)
Fund Balance, Beginning of Year	<u>655,677</u>	<u>3,734,604</u>	<u>349,486</u>	<u>4,739,767</u>
Fund Balance, End of Year	<u>\$ 769,892</u>	<u>\$ 2,315,921</u>	<u>\$ 357,282</u>	<u>\$ 3,443,095</u>

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Capital Projects Funds

June 30, 2020

	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Capital Projects Funds
Assets			
Cash in County Treasury	\$ 7,703,990	\$ 1,439,072	\$ 9,143,062
Accounts Receivable	24,978	4,562	29,540
Due from Other Funds	442,896	-	442,896
Total Assets	<u>\$ 8,171,864</u>	<u>\$ 1,443,634</u>	<u>\$ 9,615,498</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable	\$ 246,350	\$ 1,443,634	\$ 1,689,984
Due to Other Funds	35,620		35,620
Total Liabilities	<u>281,970</u>	<u>1,443,634</u>	<u>1,725,604</u>
Fund Balance:			
Restricted	7,889,894	-	7,889,894
Total Fund Balance	<u>7,889,894</u>	<u>-</u>	<u>7,889,894</u>
Total Liabilities and Fund Balances	<u>\$ 8,171,864</u>	<u>\$ 1,443,634</u>	<u>\$ 9,615,498</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Nonmajor Capital Projects Funds
 June 30, 2020

	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Capital Projects Funds
Revenues			
Other State Revenue	\$ 37,193	\$ 1,437,265	\$ 1,474,458
Interest	162,503	4,331	166,834
Other Local Revenue	1,528,153	-	1,528,153
Total Revenues	<u>\$ 1,727,849</u>	<u>\$ 1,441,596</u>	<u>\$ 3,169,445</u>
Expenditures			
Current Expenditures:			
General Administration	7,203	-	7,203
Plant Services	905,810	265,213	1,171,023
Capital Outlay	513,896	19,367	533,263
Total Expenditures	<u>1,426,909</u>	<u>284,580</u>	<u>1,711,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>300,940</u>	<u>1,157,016</u>	<u>1,457,956</u>
Other Financing Sources (Uses):			
Transfers Out	-	(1,437,265)	(1,437,265)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,437,265)</u>	<u>(1,437,265)</u>
Net Change in Fund Balance	300,940	(280,249)	20,691
Fund Balance, Beginning of Year	7,588,954	280,249	7,869,203
Fund Balance, End of Year	<u>\$ 7,889,894</u>	<u>\$ -</u>	<u>\$ 7,889,894</u>

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Debt Service Funds

June 30, 2020

	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Unit	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash in County Treasury	\$ 9,496,004	\$ -	\$ 9,496,004
Total Assets	<u>\$ 9,496,004</u>	<u>\$ -</u>	<u>\$ 9,496,004</u>
 Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balance:			
Restricted	9,496,004	-	9,496,004
Total Fund Balance	<u>9,496,004</u>	<u>-</u>	<u>9,496,004</u>
Total Liabilities and Fund Balances	<u>\$ 9,496,004</u>	<u>\$ -</u>	<u>\$ 9,496,004</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Nonmajor Debt Service Funds
 June 30, 2020

	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Unit	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$ 10,234,282	\$ -	\$ 10,234,282
Other State Revenue	79,294	-	79,294
Interest	152,031	-	152,031
Other Local Revenue	1,652	-	1,652
Total Revenues	<u>\$ 10,467,259</u>	<u>\$ -</u>	<u>\$ 10,467,259</u>
Expenditures			
Debt Service:			
Principal	5,300,000	8,245,000	13,545,000
Interest	4,813,729	5,112,186	9,925,915
Total Expenditures	<u>10,113,729</u>	<u>13,357,186</u>	<u>23,470,915</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>353,530</u>	<u>(13,357,186)</u>	<u>(13,003,656)</u>
Other Financing Sources (Uses):			
Transfers In	-	13,357,186	13,357,186
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,357,186</u>	<u>13,357,186</u>
Net Change in Fund Balance	353,530	-	353,530
Fund Balance, Beginning of Year	<u>9,142,474</u>	<u>-</u>	<u>9,142,474</u>
Fund Balance, End of Year	<u>\$ 9,496,004</u>	<u>\$ -</u>	<u>\$ 9,496,004</u>

Other Supplementary Information

Chula Vista Elementary School District

Local Education Agency Organization Structure

June 30, 2020

The Chula Vista Elementary School District was established in 1892 and is comprised of an area of approximately 103 square miles in San Diego County. There were no changes in the boundaries of the District during the current fiscal year. The District is currently operating forty-six elementary schools and is the largest kindergarten through grade six district in the state. In addition, the District has authorized eight charter schools which collectively serve students in grades kindergarten through twelfth grade.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Armando Farías	President	Four Year Term Expires December 2020
Eduardo Reyes	Vice President	Four Year Term Expires December 2022
Laurie Humphrey	Clerk	Four Year Term Expires December 2020
Leslie Ray Bunker	Member	Four Year Term Expires December 2022
Francisco Tamayo	Member	Four Year Term Expires December 2022

ADMINISTRATION

Francisco Escobedo, Ed.D.
Superintendent

Oscar Esquivel
Deputy Superintendent

Jeffrey J. Thiel, Ed.D.
Assistant Superintendent
Human Resources

Matthew Tessier, Ed.D
Assistant Superintendent
Innovation & Instruction

Chula Vista Elementary School District

Schedule of Average Daily Attendance
Year Ended June 30, 2020

Chula Vista Elementary School District

	Second Period Report Certificate #C71310D0		Annual Report Certificate #E49C439D	
	Original	Revised	Revised	Revised
	TK/K-3			
Regular ADA	12,802.32	N/A	12,802.32	N/A
Extended Year Special Education	11.93	N/A	11.93	N/A
Nonpublic, Nonsectarian Schools	2.51	N/A	2.51	N/A
Extended Year - Nonpublic	0.11	N/A	0.11	N/A
Total TK/K-3	<u>12,816.87</u>	<u>N/A</u>	<u>12,816.87</u>	<u>N/A</u>
Grades 4-6				
Regular ADA	9,587.97	N/A	9,587.97	N/A
Extended Year Special Education	9.19	N/A	9.19	N/A
Nonpublic, Nonsectarian Schools	6.34	N/A	6.34	N/A
Extended Year - Nonpublic	0.90	N/A	0.90	N/A
Total Grades 4-6	<u>9,604.40</u>	<u>N/A</u>	<u>9,604.40</u>	<u>N/A</u>
Total ADA	<u><u>22,421.27</u></u>	<u><u>N/A</u></u>	<u><u>22,421.27</u></u>	<u><u>N/A</u></u>

Arroyo Vista Charter School

	Second Period Report Certificate #7D70771E		Annual Report Certificate #E257F59C	
	Original	Revised	Revised	Revised
	TK/K-3			
Regular ADA - Classroom Based	<u>436.18</u>	<u>N/A</u>	<u>436.18</u>	<u>N/A</u>
Total TK/K-3	<u>436.18</u>	<u>N/A</u>	<u>436.18</u>	<u>N/A</u>
Grades 4-6				
Regular ADA - Classroom Based	<u>305.04</u>	<u>N/A</u>	<u>305.04</u>	<u>N/A</u>
Total Grades 4-6	<u>305.04</u>	<u>N/A</u>	<u>305.04</u>	<u>N/A</u>
Grades 7-8				
Regular ADA - Classroom Based	<u>167.36</u>	<u>N/A</u>	<u>167.36</u>	<u>N/A</u>
Total Grades 7-8	<u>167.36</u>	<u>N/A</u>	<u>167.36</u>	<u>N/A</u>
Total ADA	<u><u>908.58</u></u>	<u><u>N/A</u></u>	<u><u>908.58</u></u>	<u><u>N/A</u></u>

Chula Vista Elementary School District

Schedule of Average Daily Attendance

Year Ended June 30, 2020

Chula Vista Learning Community Charter School

	Second Period Report		Annual Report	
	Certificate #BE9FC436		Certificate #F88D6386	
	Original	Revised	Revised	Revised
TK/K-3				
Regular ADA - Classroom Based	441.25	N/A	441.25	N/A
Total TK/K-3	441.25	N/A	441.25	N/A
Grades 4-6				
Regular ADA - Classroom Based	360.98	N/A	360.98	N/A
Total Grades 4-6	360.98	N/A	360.98	N/A
Grades 7-8				
Regular ADA - Classroom Based	239.44	N/A	239.44	N/A
Total Grades 7-8	239.44	N/A	239.44	N/A
Grades 9-12				
Regular ADA - Classroom Based	400.19	N/A	400.19	N/A
Total Grades 9-12	400.19	N/A	400.19	N/A
Total ADA	1,441.86	N/A	1,441.86	N/A

Discovery Charter School

	Second Period Report		Annual Report	
	Certificate #4700DC2D		Certificate #E57857A1	
	Original	Revised	Revised	Revised
TK/K-3				
Regular ADA - Classroom Based	445.90	N/A	445.90	N/A
Total TK/K-3	445.90	N/A	445.90	N/A
Grades 4-6				
Regular ADA - Classroom Based	312.95	N/A	312.95	N/A
Total Grades 4-6	312.95	N/A	312.95	N/A
Grades 7-8				
Regular ADA - Classroom Based	106.20	N/A	106.20	N/A
Total Grades 7-8	106.20	N/A	106.20	N/A
Total ADA	865.05	N/A	865.05	N/A

Chula Vista Elementary School District

Schedule of Average Daily Attendance

Year Ended June 30, 2020

Feaster Charter School

	Second Period Report Certificate #472B3624		Annual Report Certificate #61735659	
	Original	Revised	Revised	Revised
	TK/K-3			
Regular ADA - Classroom Based	562.74	N/A	562.74	N/A
Total TK/K-3	562.74	N/A	562.74	N/A
Grades 4-6				
Regular ADA - Classroom Based	387.05	N/A	387.05	N/A
Total Grades 4-6	387.05	N/A	387.05	N/A
Grades 7-8				
Regular ADA - Classroom Based	192.90	N/A	192.90	N/A
Total Grades 7-8	192.90	N/A	192.90	N/A
Total ADA	1,142.69	N/A	1,142.69	N/A

Mueller Charter School

	Second Period Report Certificate #139C6703		Annual Report Certificate #B8EA32E4	
	Original	Revised	Revised	Revised
	TK/K-3			
Regular ADA - Classroom Based	495.68	N/A	495.68	N/A
Total TK/K-3	495.68	N/A	495.68	N/A
Grades 4-6				
Regular ADA - Classroom Based	359.37	N/A	359.37	N/A
Total Grades 4-6	359.37	N/A	359.37	N/A
Grades 7-8				
Regular ADA - Classroom Based	195.09	N/A	195.09	N/A
Total Grades 7-8	195.09	N/A	195.09	N/A
Grades 9-12				
Regular ADA - Classroom Based	514.74	N/A	514.74	N/A
Total Grades 9-12	514.74	N/A	514.74	N/A
Total ADA	1,564.88	N/A	1,564.88	N/A

N/A – There were no audit findings which resulted in necessary revisions to attendance for the Second Period Report.

Chula Vista Elementary School District

Schedule of Average Daily Attendance

Year Ended June 30, 2020

On March 17, 2020 Governor Newsom signed Senate Bill (SB) 117 which mitigated the effect of lost attendance due to COVID-19 that occurred after February 29, 2020. For the purpose of preventing losses of attendance-based funding as a result of reductions in average daily attendance (ADA) due to COVID-19, this legislation provided that the ADA used for both the second period (P2) and the Annual period apportionment include all full school months from July 1, 2019 to February 29, 2020 for all local education agencies (LEAs).

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

Chula Vista Elementary School District

Schedule of Instructional Time

Year Ended June 30, 2020

Chula Vista Elementary School District

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Transitional Kindergarten	36,000	26,600	9,400	36,000	133	47	180	Complied
Kindergarten	36,000	39,095	13,605	52,700	133	47	180	Complied
1st Grade	50,400	40,460	12,340	52,800	133	47	180	Complied
2nd Grade	50,400	40,460	12,340	52,800	133	47	180	Complied
3rd Grade	50,400	40,460	12,340	52,800	133	47	180	Complied
4th Grade	54,000	40,075	13,925	54,000	133	47	180	Complied
5th Grade	54,000	40,075	13,925	54,000	133	47	180	Complied
6th Grade	54,000	40,075	13,925	54,000	133	47	180	Complied

Arroyo Vista Charter School

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Transitional Kindergarten	36,000	26,600	9,400	36,000	133	47	180	Complied
Kindergarten	36,000	42,735	14,865	57,600	133	47	180	Complied
1st Grade	50,400	39,270	13,680	52,950	133	47	180	Complied
2nd Grade	50,400	39,270	13,680	52,950	133	47	180	Complied
3rd Grade	50,400	39,270	13,680	52,950	133	47	180	Complied
4th Grade	54,000	40,740	14,160	54,900	133	47	180	Complied
5th Grade	54,000	40,740	14,160	54,900	133	47	180	Complied
6th Grade	54,000	40,740	14,160	54,900	133	47	180	Complied
7th Grade	54,000	42,455	16,925	62,500	133	47	180	Complied
8th Grade	54,000	42,455	16,925	62,500	133	47	180	Complied

Chula Vista Elementary School District

Schedule of Instructional Time

Year Ended June 30, 2020

Chula Vista Learning Community Charter School

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Transitional Kindergarten	36,000	45,675	15,825	61,500	133	47	180	Complied
Kindergarten	36,000	45,675	15,825	61,500	133	47	180	Complied
1st Grade	50,400	43,680	15,120	58,800	133	47	180	Complied
2nd Grade	50,400	43,680	15,120	58,800	133	47	180	Complied
3rd Grade	50,400	43,680	15,120	58,800	133	47	180	Complied
4th Grade	54,000	43,680	15,120	58,800	133	47	180	Complied
5th Grade	54,000	43,680	15,120	58,800	133	47	180	Complied
6th Grade	54,000	43,680	15,120	58,800	133	47	180	Complied
7th Grade	54,000	43,680	16,925	58,800	133	47	180	Complied
8th Grade	54,000	43,680	16,925	58,800	133	47	180	Complied
9th Grade	64,800	48,230	16,925	65,050	133	47	180	Complied
10th Grade	64,800	48,230	16,925	65,050	133	47	180	Complied
11th Grade	64,800	48,230	16,925	65,050	133	47	180	Complied
12th Grade	64,800	48,230	16,925	65,050	133	47	180	Complied

Discovery Charter School

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Transitional Kindergarten	36,000	42,735	14,865	57,600	133	47	180	Complied
Kindergarten	36,000	42,735	14,865	57,600	133	47	180	Complied
1st Grade	50,400	40,740	14,160	54,900	133	47	180	Complied
2nd Grade	50,400	40,740	14,160	54,900	133	47	180	Complied
3rd Grade	50,400	40,740	14,160	54,900	133	47	180	Complied
4th Grade	54,000	40,740	14,160	54,900	133	47	180	Complied
5th Grade	54,000	40,740	14,160	54,900	133	47	180	Complied
6th Grade	54,000	40,740	14,160	54,900	133	47	180	Complied
7th Grade	54,000	44,870	16,925	60,450	133	47	180	Complied
8th Grade	54,000	44,870	16,925	60,450	133	47	180	Complied

Chula Vista Elementary School District

Schedule of Instructional Time

Year Ended June 30, 2020

Feaster Charter School

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Transitional Kindergarten	36,000	26,600	9,400	36,000	133	47	180	Complied
Kindergarten	36,000	52,570	18,080	70,650	133	47	180	Complied
1st Grade	50,400	49,910	17,140	67,050	133	47	180	Complied
2nd Grade	50,400	49,910	17,140	67,050	133	47	180	Complied
3rd Grade	50,400	49,910	17,140	67,050	133	47	180	Complied
4th Grade	54,000	49,910	17,140	67,050	133	47	180	Complied
5th Grade	54,000	49,910	17,140	67,050	133	47	180	Complied
6th Grade	54,000	49,910	17,140	67,050	133	47	180	Complied
7th Grade	54,000	52,710	16,925	70,740	133	47	180	Complied
8th Grade	54,000	52,710	16,925	70,740	133	47	180	Complied

Mueller Charter School

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Transitional Kindergarten	36,000	41,990	15,075	57,065	126	54	180	Complied
Kindergarten	36,000	41,990	15,075	57,065	126	54	180	Complied
1st Grade	50,400	40,930	14,550	55,480	126	54	180	Complied
2nd Grade	50,400	40,930	14,550	55,480	126	54	180	Complied
3rd Grade	50,400	40,930	14,550	55,480	126	54	180	Complied
4th Grade	54,000	40,930	14,550	55,480	126	54	180	Complied
5th Grade	54,000	40,930	14,550	55,480	126	54	180	Complied
6th Grade	54,000	40,930	14,550	55,480	126	54	180	Complied
7th Grade	54,000	45,250	16,925	61,375	126	54	180	Complied
8th Grade	54,000	45,250	16,925	61,375	126	54	180	Complied
9th Grade	64,800	47,385	16,925	65,040	126	54	180	Complied
10th Grade	64,800	47,385	16,925	65,040	126	54	180	Complied
11th Grade	64,800	47,385	16,925	65,040	126	54	180	Complied
12th Grade	64,800	47,385	16,925	65,040	126	54	180	Complied

Chula Vista Elementary School District

Schedule of Instructional Time

Year Ended June 30, 2020

Due to COVID-19 the District closed all campuses on March 17, 2020 through the end of the school year. Distance learning was provided to students for school days during the closure. This schedule has been reflected based on the original approved calendar and instructional time planned by the District for the 2019-20 fiscal year.

School districts and charter schools must maintain their instructional minutes as defined in Education Code §46201 through §46207. This schedule is required of all school districts, including basic aid districts, as well as all charter schools.

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 §46201 through §46207.

Chula Vista Elementary School District

Schedule of Financial Trends and Analysis

Year Ended June 30, 2020

General Fund	Budget 2021 (See Note 1)	2020	2019	2018
Revenues and Other Financing Sources	\$ 307,671,652	\$ 291,545,570	\$ 292,547,709	\$ 263,226,815
Expenditures and Other Financing Uses	<u>324,272,399</u>	<u>291,914,255</u>	<u>294,337,361</u>	<u>273,956,898</u>
Net Change in Fund Balance	<u>(16,600,747)</u>	<u>(368,685)</u>	<u>(1,789,652)</u>	<u>(10,730,083)</u>
Ending Fund Balance	<u>\$ 27,275,058</u>	<u>\$ 43,875,805</u>	<u>\$ 44,244,490</u>	<u>\$ 46,034,142</u>
Available Reserves (See Note 2)	<u>\$ 25,176,250</u>	<u>\$ 37,130,595</u>	<u>\$ 40,703,663</u>	<u>\$ 43,031,763</u>
Available Reserves as a Percentage of Total Outgo	<u>7.76%</u>	<u>12.72%</u>	<u>13.83%</u>	<u>15.71%</u>
Long Term Debt	<u>\$ 329,389,343</u>	<u>\$ 345,518,300</u>	<u>\$ 273,662,212</u>	<u>\$ 293,737,176</u>
Average Daily Attendance at P2 (See Note 3)	<u>28,344</u>	<u>28,344</u>	<u>28,331</u>	<u>28,599</u>

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

The general fund balance has decreased by \$2,158,337 over the past two years. The fiscal year 2020-21 budget projects a decrease of \$16,600,747. For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has increased by \$51,781,124 over the past two years.

Average daily attendance has decreased by 255 over the past two years.

Notes:

1. Budget 2021 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances contained within the general fund.
3. Average Daily Attendance (ADA) includes the ADA from district schools and charter schools.

Chula Vista Elementary School District

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements Year Ended June 30, 2020

The fund balances for all funds as reported by the District in their unaudited financial statements are in agreement with the fund balances reported in the accompanying audited financial statements.

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

Chula Vista Elementary School District

Schedule of Charter Schools

Year Ended June 30, 2020

The Chula Vista Elementary School District charters the following charter schools:

<u>Charter Schools</u>	<u>Charter Number</u>	<u>Included in Audit?</u>
Arroyo Vista Charter School	0483	Yes
Chula Vista Learning Community Charter School	0135	Yes
Discovery Charter School	0054	Yes
Feaster Charter School	0121	Yes
Leonardo Da Vinci Health Sciences Charter School	1082	No
Mueller Charter School	0064	Yes
Howard Gardner Community Charter School	1308	No
Learning Choice Academy - Chula Vista	2001	No

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

Chula Vista Elementary School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13526	\$ -	\$ 2,002,134
National School Lunch Program	10.555	13523	-	6,494,675
National School Lunch Program - Noncash Commodities	10.555	13392	-	789,276
Total Child Nutrition Cluster			-	9,286,085
FISH AND WILDLIFE CLUSTER:				
<u>U.S. Department of the Interior</u>				
Direct Program:				
Wild Life Restoration	15.611	-	-	9,133
Total Fish and Wildlife Cluster			-	9,133
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	5,838,725
IDEA Local Assistance - Private Schools	84.027	10015	-	44,297
IDEA Mental Health	84.027	13430	-	269,250
IDEA Preschool Grants	84.173	15197	-	333,080
IDEA Preschool Staff Development	84.173	13431	-	1,422
Total Special Education (IDEA) Cluster			-	6,486,774
OTHER PROGRAMS:				
<u>U.S. Department of Education</u>				
Direct Program:				
Impact Aid	84.041	-	-	840,218
Passed through California Department of Education				
Title I	84.010	14329	-	6,391,751
Title III English Learner Student Program	84.365	14346	-	1,032,962
Title IV Student Support Academic Enrichment	84.424	15396	-	732,835
Title II Supporting Effective Instruction	84.367	14341	-	954,852
Total Other Programs			-	9,952,618
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 25,734,610

See accompanying notes to schedule of expenditures of federal awards.

Chula Vista Elementary School District

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 4.04% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

<u>Program</u>	<u>CFDA #</u>	<u>Indirect Cost Rate</u>
IDEA Preschool Grants	84.173	1.65%
IDEA Mental Health	84.027	0.78%
Title IV Student Support Academic Enrichment	84.424	3.38%
Child Nutrition Cluster	10.553, 10.555	2.40%

Schoolwide Program

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in its schoolwide programs:

<u>Program</u>	<u>CFDA #</u>	<u>Amount Expended</u>
Title I	84.010	\$ 6,391,751

Other Independent Auditors' Reports

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education
Chula Vista Elementary School District
Chula Vista, 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 and each major fund of Chula Vista Elementary School District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Chula Vista Elementary School District's basic financial statements, and have issued our report thereon dated February 17, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control that we consider to be a significant deficiency which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

Compliance and Other Matters

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

Chula Vista Elementary School District's Response to the Finding

Chula Vista Elementary School District's response to the finding identified in our audit is described in the accompanying corrective action plan. Chula Vista Elementary School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Wilkinson Hadley King & Co LLP

El Cajon, California
February 17, 2021

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

To the Board of Education
Chula Vista Elementary School District
Chula Vista, California

Report on Compliance for Each Major Federal Program

We have audited Chula Vista Elementary 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 Chula Vista Elementary School District's major federal programs for the year ended June 30, 2020. Chula Vista Elementary School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Chula Vista Elementary 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 Chula Vista Elementary 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 Chula Vista Elementary School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Chula Vista Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Chula Vista Elementary 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 Chula Vista Elementary 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 Chula Vista Elementary 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Wilkinson Hadley King & Co LLP

El Cajon, California
February 17, 2021

Independent Auditor's Report on State Compliance

To the Board of Education
Chula Vista Elementary School District
Chula Vista, California

Report on State Compliance

We have audited the Chula Vista Elementary School District's compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810, that could have a direct and material effect on each of the District's state programs identified below for the fiscal year ended June 30, 2020.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's Audit Guide *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance*, prescribed in Title 5, *California Code of Regulations*, Section 19810. 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 State's audit guide *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and 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 direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about each school'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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District’s compliance with state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other Than Charter Schools	
A. Attendance.....	Yes
B. Teacher Certification and Misassignments.....	Yes
C. Kindergarten Continuance.....	Yes
D. Independent Study.....	N/A
E. Continuation Education.....	N/A
F. Instructional Time.....	Yes
G. Instructional Materials.....	Yes
H. Ratio of Administrative Employees to Teachers.....	Yes
I. Classroom Teacher Salaries.....	Yes
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	Yes
L. School Accountability Report Card.....	Yes
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	Yes
P. Transportation Maintenance of Effort.....	Yes
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	Yes
S. District of Choice.....	N/A
School Districts, County Offices of Education, and Charter Schools	
T. California Clean Energy Jobs Act.....	Yes
U. After/Before School Education and Safety Program.....	Yes
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X. Local Control and Accountability Plan.....	Yes
Y. Independent Study - Course Based.....	N/A
Charter Schools	
AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom Based Instruction/Independent Study.....	N/A
DD. Determination of Funding for Nonclassroom Based Instruction.....	N/A
EE. Annual Instructional Minutes - Classroom Based.....	Yes
FF. Charter School Facility Grant Program.....	N/A

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

Opinion on State Compliance

In our opinion, Chula Vista Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This report is an integral part of an audit performed in accordance with *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co LLP

El Cajon, California
February 17, 2021

Auditor's Results, Findings & Recommendations

Chula Vista Elementary School District

Schedule of Auditor's Results

Year Ended June 30, 2020

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)? X Yes No

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)? Yes X No

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

Compliance supplement utilized for single audit August 2020 and December 2020 Addendum

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.365	Title III English Learner Student Program
84.367	Title II Supporting Effective Instruction

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

Any audit findings disclosed that are required to be reported in accordance with *2019-20 Guide for Annual Audits of California K-12 Local Education Agencies?* Yes X No

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

Chula Vista Elementary School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

Finding Number: 2020-001
 Repeat Finding: No
 Description: Associated Student Body Deposits
 Type of Finding: Internal Control – Significant Deficiency (30000)

Criteria or Specific Requirement

Determine that the District has sufficient safeguards over associated student body deposits to prevent, detect, and deter misstatements and misappropriation whether due to errors or fraud.

Condition

In our review of associated student body deposits we noted that sites were not consistently following dual counts of cash internal control policies established by the District as two signatures were not evident on the cash count forms from the sites. Additionally, we noted that the District Office was using a cash count machine to double check site cash counts, but the receipts were dated in 1970 so it could not be determined if cash was verified and deposited timely.

Cause

Sites were not enforcing the requirement to have two individuals count cash on a consistent basis. In addition, the District Office purchased a new cash count machine but did not realize that the machine was not properly programed to show current date.

Chula Vista Elementary School District
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2020

Effect

Without proper controls over cash counts, misappropriation of cash could occur and the District would not likely detect the fraud.

Recommendation

Provide training to all sites as to District policies for cash handling, including dual counts of cash. If sites cannot implement proper internal controls over cash handling, remove cash collection privileges from the site. Program the cash count machine to show current date.

Views of Responsible Officials

See Corrective Action Plan

B. Federal Awards

None

C. State Award Findings

None



CHULA VISTA ELEMENTARY SCHOOL DISTRICT

84 EAST J STREET • CHULA VISTA, CALIFORNIA 91910 • 619 425-9600

EACH CHILD IS AN INDIVIDUAL OF GREAT WORTH

February 4, 2021

To whom it may concern:

The accompanying Corrective Action Plan has been prepared as required by the 2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting published by the Education Audit Appeals Panel. The name of the contact person responsible for corrective action, the planned corrective action and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

A handwritten signature in blue ink that reads "Oscar Esquivel".

Oscar Esquivel
Chula Vista Elementary School District
Deputy Superintendent

BOARD OF EDUCATION

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FRANCISCO ESCOBEDO, Ed.D.

Chula Vista Elementary School District

Corrective Action Plan
Year Ended June 30, 2020

Financial Statement Findings

Finding Number: 2020-001
Program Name: ASB Deposits
Contact Person: Maria Theresa Villanueva
Anticipated Completion Date: Ongoing

Planned Corrective Action: Starting in 2020-21, the District updated its Associated Student Body (ASB) Deposits procedures which requires school sites to submit tally sheets for all deposits with two signatures. In addition, the cash count machine date was adjusted to reflect the correct date to ensure timely deposits.

Chula Vista Elementary School District

Schedule of Prior Year Audit Findings

Year Ended June 30, 2020

Finding/Recommendation	Status	Explanation if Not Implemented
<p>Finding 2019-001 After School Education and Safety Program</p> <p>In our review of the District’s policies and procedures for the after school education and safety program, written procedures state that students who attend daily will be given priority enrollment rather than priority being provided to homeless youth or youth in foster care.</p> <p>We recommended the District update policies for priority enrollment to be in compliance with AB1567 which revised Education Code Section 8483 to require priority enrollment be provided to students who are identified as homeless youth or in foster care at the time they apply for enrollment in the program.</p>	Implemented	