

Chula Vista Elementary School District

County of San Diego
Chula Vista, California

Audit Report

June 30, 2021



WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS



Chula Vista Elementary School District

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June 30, 2021

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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, 2021, 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, 2021, 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 *2020-21 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 January 31, 2022, 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
January 31, 2022

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2021
(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, 2021. 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 2020-21, the District's net position was \$333,355 an increase of 101% from the previous year. The District's net position in 2019-20 was <\$51,781,305>.
- Overall revenues were \$484,923,981 with overall expenditures at \$433,637,858.
- Total District annual average daily attendance (ADA), including 5 dependent charters, decreased by <873> ADA from 28,344 to 27,471. The 5 charters increased by 60 ADA and the 41 District schools decreased by <933> ADA.
- In 2020-21, there were eight charter schools in the District with approximately 6,780 ADA. Five charter schools—Arroyo Vista, Chula Vista Learning Community, Discovery, Feaster, and Mueller—are included in the District's audit with 5,983 ADA. The sixth charter – Leonardo da Vinci Health Sciences with 203 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 392 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.

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.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2021
(Unaudited)

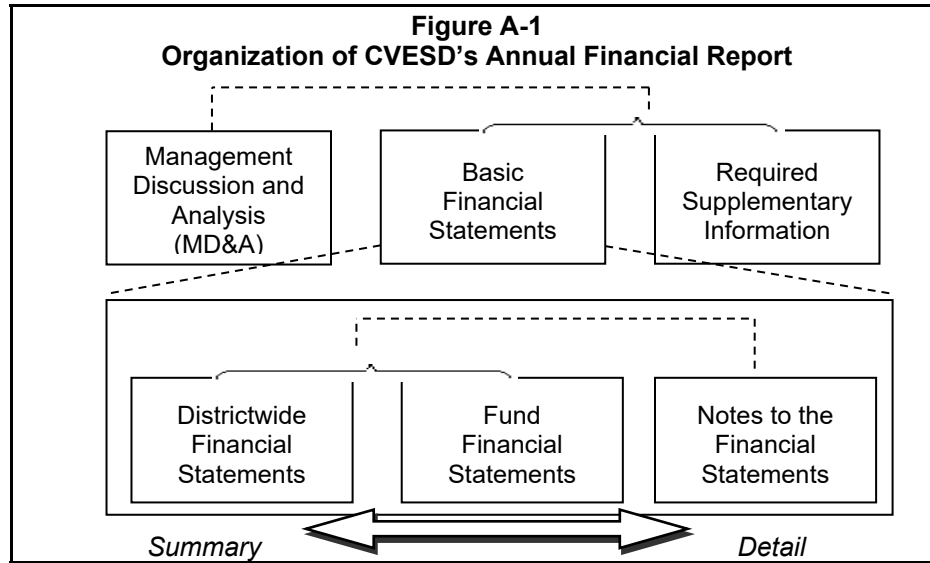


Figure A-2 summarizes the major features of the District's financial statements including the portion of the District's activities they cover and the types of information they contain.

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 changes in fiduciary net position
			Statement of cash flows.	
<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.

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.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Management Discussion and Analysis for the Fiscal Year Ended June 30, 2021 (Unaudited)

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.

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

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Management Discussion and Analysis for the Fiscal Year Ended June 30, 2021 (Unaudited)

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

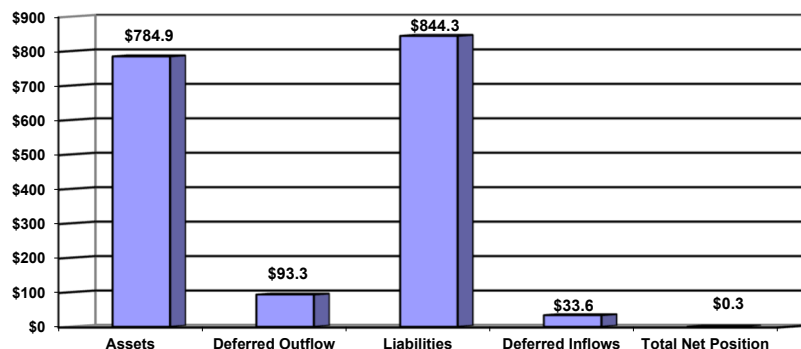
Net Position

The District's combined net position of \$333,355 increased by \$52,114,660 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)
	2021	2020	
Current and Other Assets	\$ 345.9	\$ 245.2	41%
Capital Assets	439.0	415.5	6%
Total Assets	\$ 784.9	\$ 660.7	19%
Deferred Outflows of Resources	\$ 93.3	\$ 100.5	(7%)
Long-Term Debt Outstanding	794.2	754.3	5%
Other Liabilities	50.1	32.6	54%
Total Liabilities	\$ 844.3	\$ 786.9	7%
Deferred Inflows of Resources	\$ 33.6	\$ 26.1	29%
Net Position			
Invested in Capital Assets	124.9	112.7	11%
Net of Related Debt			
Restricted	219.4	141.1	55%
Unrestricted	(344.0)	(305.6)	13%
Total Net Position	\$ 0.3	(51.8)	101%

CVESD's 2021 Net Position
(in millions)



CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2021
(Unaudited)

The District's increased financial position, resulting in an increase in net position of approximately \$52.1 million is the product of several factors.

- Current assets increased by approximately \$100.7 million primarily due to the receipt of one-time Coronavirus Relief funds from the federal and state sources.
- Capital assets increased by approximately \$23.5 million primarily due to the completion on the Muraoka Relocatable project and the modernization of Feaster Charter school.
- Total Liabilities increased by approximately \$57.4 million primarily due to issuance of a \$50 million General Obligation bond and increases in net other post-employment benefit (OPEB) obligation. The increase is reduced by a decrease of \$16 million due to debt service payments for long-term issuances, such as general obligation bonds and certificates of participation (COPs) and a decrease of \$6.4 in net pension liability.
- Deferred Outflow of resources decreased by <\$7.2> million while deferred inflow of resources increased by \$7.5 million. The changes in deferred outflow and inflow of resources are mainly due to deferrals associated with pension and other post-employment benefits.

Changes in Net Position

The District's total revenues increased by approximately 23 percent to \$484,923,981 (see Table A-2). General revenues increased by approximately \$28.7 million due to increased property taxes, interest and investment earnings and a \$62 million increase in program revenues. Approximately 71 percent of the total revenue represents property taxes and state/federal formula aid not restricted for specific purposes, 29 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)
Revenues	<u>2021</u>	<u>2020</u>	
General Revenues	\$ 363.2	\$ 334.5	9%
Program Revenues	<u>121.8</u>	<u>59.8</u>	104%
Total Revenues	\$ 485.0	\$ 394.3	23%
Expenses			
Instruction/Instruction Related	\$ 310.3	\$ 300.9	3%
Pupil Services	46.6	47.6	(2%)
General Administration	62.6	62.4	0%
Other Outgo	<u>14.2</u>	<u>12.1</u>	17%
Total Expenses	\$ 433.7	\$ 423.0	3%
Increase (Decrease)	\$51.3	(\$28.7)	

The total cost of all programs increased by \$10.7 million or 3 percent to \$433.7 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.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2021
(Unaudited)

In 2021, total revenues exceeded expenses by approximately \$51.3 million. In 2020, expenses exceeded revenues by \$28.7 million.

Governmental Activities

Revenues from the District's governmental activities increased by approximately 23 percent, while total expenses increased by approximately 3 percent. Total government revenues were \$484,923,981 (see Table A-3) while government expenditures were \$433,637,858 (see Table A-4).

Table A-3 Revenue for Governmental Activities Year Ended June 30, (in millions)					
	<u>2021</u>	<u>Percentage</u>	<u>2020</u>	<u>Percentage</u>	<u>Increase (Decrease)</u>
Program Revenues	\$121.8	25%	\$ 59.8	15%	\$ 62.0
General Revenues	<u>363.2</u>	75%	<u>334.5</u>	85%	<u>28.7</u>
Total	\$ 485.0		\$ 394.3		\$ 90.7

Property taxes and federal and state aid represent over 95 percent of general revenues with the remaining 5 percent of general revenues consisting of interest earnings, other agency transfers, and miscellaneous income. Program revenues consist of 96 percent from federal, state, and local operating grants and contributions and 6 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>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Instruction	\$ 269.9	\$ 263.1	3%	\$195.6	\$231.4	(15%)
Instruction Related	40.4	37.8	7%	32.5	32.7	(1%)
Pupil Services	46.6	47.6	(2%)	19.4	30.2	(36%)
General Administration	16.9	18.9	(11%)	13.2	17.7	(25%)
Plant Services	45.7	43.5	5%	37.4	39.4	(5%)
Other	<u>14.2</u>	<u>12.1</u>	<u>17%</u>	<u>13.8</u>	<u>11.8</u>	<u>17%</u>
Total	\$ 433.7	\$ 423.0	3%	\$311.9	\$ 363.2	(14%)

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 \$433.7 million, an increase of 3 percent.
- Net costs of services were \$311.9 million, representing a decrease of <14> percent.
- Most of the District's net costs of \$311.9 million are paid from taxes levied for general purposes (\$159.4 million) and federal and state aid not restricted for specific purposes (\$186.7 million).

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Management Discussion and Analysis for the Fiscal Year Ended June 30, 2021 (Unaudited)

- Specific administrative costs, such as data processing and other general and administrative costs is representing approximately 4 percent of all expenditures.

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 \$285.1 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, 2021 <i>(in millions)</i>			
	<u>Adopted Budget</u>	<u>Year-End Budget</u>	<u>Actuals</u>
Total Revenues	\$307.6	\$327.3	\$324.4
Total Expenditures	(324.3)	(313.0)	(312.4)
Total Other Sources/Uses	<u>0.1</u>	<u>0.2</u>	<u>0.0</u>
Net Increase/(Decrease) in Fund Balance	(\$16.6)	\$14.5	\$12.0

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 \$19.7 million and was due primarily to the increase in revenues from the federal and state revenues.
- The net decrease in total expenditures from the adopted budget to the year-end estimated budget of <\$11.3> million was due mostly to the salaries and benefits and other operating expenses.

A comparison of the District's 2020-21 general fund ending balance and the final budgeted fund balance showed a <\$2.5> million decrease in the ending fund balance. The major factor that led to the increase is noted below.

- A decrease in restricted categorical revenue account for majority of the change.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of June 30, 2021, the District had invested \$711.8 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, 2021
(Unaudited)

Table A-6 CVESD Capital Assets June 30, (net of depreciation, in millions)			
	Governmental Activities		Percentage
	2021	2020	Increase (Decrease)
Land	\$ 40.3	\$ 40.3	0%
Construction in Progress	25.4	22.2	14%
Site Improvement	7.1	7.2	<1%>
Buildings	358.6	340.8	5%
Equipment and Furniture	7.6	5.0	52%
Total	\$ 439.0	\$ 415.5	6%

The \$439 million in net capital assets at June 30, 2021, represents an increase of approximately \$23.5 million or 6 percent from last year (see Table A-6). Total depreciation increased by \$14.7 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 \$794.2 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 \$39.9 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)			
	2021	2020	Increase (Decrease)
General Obligation Bonds	\$ 230.6	\$183.1	\$47.5
Certificates of Participation	152.2	162.0	<9.8>
Capital Lease	0.3	0.4	<0.1>
Net Pension Liability	358.8	365.2	<6.4>
Net Other Post-Employment Benefits Obligation	50.6	41.8	8.8
Other	1.7	1.8	<0.1>
Total	\$ 794.2	\$ 754.3	\$ 39.9

- The District issued \$50 million 2020 General Obligation Bond Series A. The notes are being issued finance the renovation, construction, acquisition, furnishing and equipping of classrooms, schools, sites, and facilities of the District as authorized by the voters at the March 3, 2020 election.
- Based on the latest actuarial valuation using June 30, 2021 as the measurement date, the District's the net OPEB liability increased by \$8.8 million.
- 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 2020 General Obligation Bond Anticipation Notes issuance that closed in August 13, 2020.
- 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 0.59 percent as of June 30, 2021.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2021
(Unaudited)

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 budget impact due to the COVID-19 pandemic.
- The impact of COVID-19 to the District's declining enrollment and average daily attendance.
- 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 Interim 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, 2021

	<u>Governmental Activities</u>
Assets	
Cash	\$ 276,197,199
Accounts Receivable	68,633,226
Inventory	1,027,635
Prepaid Expenses	35,261
Capital Assets:	
Land	40,352,913
Land Improvements	16,348,045
Buildings & Improvements	606,876,810
Equipment	22,894,711
Work in Progress	25,398,823
Less Accumulated Depreciation	<u>(272,822,664)</u>
Total Assets	<u>784,941,959</u>
 Deferred Outflows of Resources	 <u>93,336,436</u>
 Liabilities	
Accounts Payable and Other Current Liabilities	20,656,176
Unearned Revenue	4,406,721
Current Loans	25,000,000
Long-Term Liabilities:	
Due Within One Year	29,848,252
Due In More Than One Year	<u>764,384,759</u>
Total Liabilities	<u>844,295,908</u>
 Deferred Inflows of Resources	 <u>33,649,132</u>
 Net Position	
Net Investment in Capital Assets	124,921,275
Restricted For:	
Capital Projects	173,425,072
Debt Service	22,590,405
Educational Programs	13,854,932
Other Purposes (Expendable)	8,307,065
Other Purposes (Nonexpendable)	1,203,837
Unrestricted	<u>(343,969,231)</u>
Total Net Position	<u>\$ 333,355</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, 2021

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
		Services	Grants and	and	Changes in Net
			Contributions	Contributions	Position
Governmental Activities					Governmental
					Activities
Instruction	\$ 269,851,159	\$ 248,433	\$ 74,000,664	\$ -	\$ (195,602,062)
Instruction-Related Services:					
Instructional Supervision and Administration	11,100,168	102,154	5,899,689	-	(5,098,325)
Instructional Library, Media and Technology	5,814,436	227,793	512,295	-	(5,074,348)
School Site Administration	23,501,853	27,033	1,125,807	-	(22,349,013)
Pupil Services:					
Home-to-School Transportation	6,809,021	-	3,340,145	-	(3,468,876)
Food Services	10,523,521	2,236	15,531,748	-	5,010,463
All Other Pupil Services	29,294,862	56,945	8,345,832	-	(20,892,085)
General Administration:					
Centralized Data Processing	2,665,838	-	646	-	(2,665,192)
All Other General Administration	14,218,577	3,857	3,643,351	-	(10,571,369)
Plant Services	40,701,088	436,459	3,675,691	-	(36,588,938)
Ancillary Services	4,034,293	2,886,138	602,148	-	(546,007)
Community Services	725,333	475,989	215,317	-	(34,027)
Enterprise Activities	226,740	-	7,610	-	(219,130)
Interest on Long-Term Debt	11,884,564	-	-	-	(11,884,564)
Debt Issuance Costs	929,791	-	-	-	(929,791)
Transfers Between Agencies	1,356,614	-	384,067	-	(972,547)
Total Governmental Activities	<u>\$ 433,637,858</u>	<u>\$ 4,467,037</u>	<u>\$ 117,285,010</u>	<u>\$ -</u>	<u>(311,885,811)</u>
General Revenues					
Taxes and Subventions:					
Property Taxes, Levied for General Purposes				\$ 113,945,238	
Property Taxes, Levied for Debt Service				22,593,477	
Property Taxes, Levied for Other Specific Purposes				22,859,327	
Federal and State Aid Not Restricted for Specific Purposes				186,742,586	
Interest and Investment Earnings				3,865,084	
Interagency Revenues				11,558,732	
Miscellaneous				1,607,490	
Total General Revenues				<u>363,171,934</u>	
Change in Net Position					51,286,123
Net Position - Beginning of Year, As Adjusted (See Note U)					(50,952,768)
Net Position - Ending					<u>\$ 333,355</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, 2021

	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
Assets						
Cash and Cash Equivalents	\$ 40,563,454	\$ 14,392,418	\$ 68,748,127	\$ 98,823,142	\$ 38,875,346	\$ 261,402,487
Accounts Receivable	52,715,464	12,098,142	112,800	201,157	3,482,268	68,609,831
Due from Other Funds	1,142,668	1,972,355	40,766	336,307	631,152	4,123,248
Stores Inventories	837,336	-	-	-	190,299	1,027,635
Prepaid Expenditures	35,261	-	-	-	-	35,261
Total Assets	<u>\$ 95,294,183</u>	<u>\$ 28,462,915</u>	<u>\$ 68,901,693</u>	<u>\$ 99,360,606</u>	<u>\$ 43,179,065</u>	<u>\$ 335,198,462</u>
Liabilities and Fund Balance:						
Liabilities:						
Accounts Payable	\$ 8,493,716	\$ 2,098,978	\$ 2,107,133	\$ 1,910,691	\$ 1,912,247	\$ 16,522,765
Due to Other Funds	2,931,512	926,607	40,767	100,788	123,574	4,123,248
Unearned Revenue	2,996,294	1,410,427	-	-	-	4,406,721
Tax Revenue Anticipation Notes	25,000,000	-	-	-	-	25,000,000
Total Liabilities	<u>39,421,522</u>	<u>4,436,012</u>	<u>2,147,900</u>	<u>2,011,479</u>	<u>2,035,821</u>	<u>50,052,734</u>
Fund Balance:						
Nonspendable	1,003,538	10,000	-	-	190,299	1,203,837
Restricted	10,369,693	2,986,868	66,753,793	97,349,127	40,717,993	218,177,474
Committed	-	-	-	-	-	-
Assigned	3,431,797	21,030,035	-	-	234,952	24,696,784
Unassigned	41,067,633	-	-	-	-	41,067,633
Total Fund Balance	<u>55,872,661</u>	<u>24,026,903</u>	<u>66,753,793</u>	<u>97,349,127</u>	<u>41,143,244</u>	<u>285,145,728</u>
Total Liabilities and Fund Balances	<u>\$ 95,294,183</u>	<u>\$ 28,462,915</u>	<u>\$ 68,901,693</u>	<u>\$ 99,360,606</u>	<u>\$ 43,179,065</u>	<u>\$ 335,198,462</u>

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, 2021

Total fund balances governmental funds: \$ 285,145,728

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	711,871,302	
Accumulated depreciation	<u>(272,822,664)</u>	
	Net	439,048,638

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:

31,360

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:

(4,133,412)

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	230,634,474	
Certificates of participation payable	152,162,642	
Capital leases payable	271,324	
Net pension liability	358,789,269	
Net OPEB liability	50,647,472	
Compensated absences	<u>1,727,830</u>	
	Total	(794,233,011)

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, 2021

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:

2,153,684

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	78,294,164	
Deferred inflows of resources relating to pensions	<u>(30,399,451)</u>	
Net		47,894,713

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	12,857,228	
Deferred inflows of resources relating to OPEB	<u>(3,249,681)</u>	
Net		9,607,547

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:

14,818,108

Total net position governmental activities:

\$ 333,355

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, 2021

	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
Revenues						
State Apportionment	\$ 98,447,495	\$ 26,960,819	\$ -	\$ -	\$ -	\$ 125,408,314
Education Protection Account Funds	24,967,747	8,364,897	-	-	-	33,332,644
Property Taxes	91,271,219	22,674,019	-	22,859,327	22,593,477	159,398,042
Federal Revenue	41,049,411	6,226,185	-	-	14,748,525	62,024,121
Other State Revenue	33,987,226	9,265,258	-	-	29,374,590	72,627,074
Interest	925,696	230,157	787,607	724,464	225,095	2,893,019
Fair Market Value Adjustment	168,136	59,808	285,885	314,521	143,715	972,065
Other Local Revenue	33,553,097	207,214	-	-	677,010	34,437,321
Total Revenues	<u>\$ 324,370,027</u>	<u>\$ 73,988,357</u>	<u>\$ 1,073,492</u>	<u>\$ 23,898,312</u>	<u>\$ 67,762,412</u>	<u>\$ 491,092,600</u>
Expenditures						
Current Expenditures:						
Instruction	202,999,466	41,771,591	-	-	3,431,266	248,202,323
Instruction - Related Services	29,746,841	8,458,424	-	-	840,761	39,046,026
Pupil Services	32,566,035	2,113,584	-	-	10,154,153	44,833,772
Ancillary Services	3,811,182	75,782	-	-	145,300	4,032,264
Community Services	713,385	-	-	-	-	713,385
Enterprise Activities	164,479	-	-	-	-	164,479
General Administration	15,953,182	-	-	-	330,922	16,284,104
Plant Services	24,347,551	16,401,165	1,099,486	258,593	225,364	42,332,159
Transfers Between Agencies	1,340,576	16,038	-	-	-	1,356,614
Debt Issuance Costs	368,090	-	560,581	-	-	928,671
Capital Outlay	300,096	910,037	23,195,199	7,514,554	4,790,172	36,710,058
Debt Service:						
Principal	102,626	64,822	290,000	-	14,475,000	14,932,448
Interest	-	591	299,913	-	10,548,409	10,848,913
Total Expenditures	<u>312,413,509</u>	<u>69,812,034</u>	<u>25,445,179</u>	<u>7,773,147</u>	<u>44,941,347</u>	<u>460,385,216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,956,518</u>	<u>4,176,323</u>	<u>(24,371,687)</u>	<u>16,125,165</u>	<u>22,821,065</u>	<u>30,707,384</u>
Other Financing Sources (Uses):						
Transfers In	-	-	589,913	19,958,160	14,288,880	34,836,953
Transfers Out	-	(589,913)	-	(14,288,880)	(19,958,160)	(34,836,953)
Proceeds from Sale of Bonds	-	-	50,360,581	-	2,333,926	52,694,507
Proceeds from Capital Leases	40,338	-	-	-	-	40,338
Total Other Financing Sources (Uses)	<u>40,338</u>	<u>(589,913)</u>	<u>50,950,494</u>	<u>5,669,280</u>	<u>(3,335,354)</u>	<u>52,734,845</u>
Net Change in Fund Balance	11,996,856	3,586,410	26,578,807	21,794,445	19,485,711	83,442,229
Fund Balance, Beginning of Year	43,875,805	20,440,493	40,174,986	75,554,682	21,657,533	201,703,499
Fund Balance, End of Year	<u>\$ 55,872,661</u>	<u>\$ 24,026,903</u>	<u>\$ 66,753,793</u>	<u>\$ 97,349,127</u>	<u>\$ 41,143,244</u>	<u>\$ 285,145,728</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, 2021

Total change in fund balances governmental funds: \$ 83,442,229

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	39,320,103	
Depreciation expense	<u>(15,811,288)</u>	
	Net	23,508,815

Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is: (782)

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: 14,932,448

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: (1,120)

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: (52,734,845)

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: (1,938,965)

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, 2021

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:	62,424
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:	(11,324,959)
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:	(5,505,180)
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:	903,314
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:	<u>(57,256)</u>
Change in net position of governmental activities:	<u><u>\$ 51,286,123</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 – Internal Service Fund

June 30, 2021

	Internal Service Fund
	Self-Insurance Fund
Assets	
Cash and Cash Equivalents	\$ 14,794,712
Accounts Receivable	23,395
Total Assets	<u>14,818,107</u>
Liabilities	
Accounts Payable	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Unrestricted	<u>14,818,107</u>
Total Net Position	<u><u>\$ 14,818,107</u></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, 2021

	Internal Service Fund
	Self-Insurance Fund
Operating Revenues	
In-District Premiums/Contributions	\$ 2,241,775
Total Operating Revenues	<u>2,241,775</u>
Operating Expenses	
Professional Consulting Services	<u>2,529,898</u>
Total Operating Expenses	<u>2,529,898</u>
Operating Income (Loss)	<u>(288,123)</u>
Non-Operating Revenues/(Expenses)	
Interest Income	169,612
Fair Market Value Adjustment	<u>61,255</u>
Total Nonoperating Revenues/(Expenses)	<u>230,867</u>
Change in Net Position	(57,256)
Total Net Position - Beginning	<u>14,875,363</u>
Total Net Position - Ending	<u>\$ 14,818,107</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, 2021

	Internal Service Fund
	Self-Insurance Fund
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$ 2,241,775
Cash Payments to Other Suppliers for Goods and Services	(2,534,398)
Net Cash Provided (Used) by Operating Activities	<u>(292,623)</u>
Cash Flows from Investing Activities	
Cash Received from Interest & Investment Earnings	235,810
Net Cash Provided (Used) by Investing Activities	<u>235,810</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(56,813)
Cash and Cash Equivalents - Beginning of Year	14,851,525
Cash and Cash Equivalents - End of Year	<u><u>\$ 14,794,712</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (288,123)
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(4,500)
Total Adjustments	(4,500)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (292,623)</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, 2021

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-12 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, 2021

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, 2021

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, 2021

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:

Associated Student Body Fund: This fund is used to account separately for the activities of associated student body organizations operated by the District.

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, 2021

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*).

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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 in 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, 2021

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

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2021
Measurement Period	July 1, 2019 to June 30, 2021

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, 2021

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, 2021. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement 84, Fiduciary Activities	01/2017
GASB Statement 90, Majority Equity Interest – an amendment of GASB Statements 14 and 61	08/2018
GASB Statement 93, Replacement of Interbank Offered Rates	03/2020
GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019	04/2019
GASB Implementation Guide No. 2019-2, Fiduciary Activities	06/2019

The implementation of new accounting guidelines resulted in the following changes during the fiscal year ended June 30, 2021:

- The OPEB Trust Fund was previously accounted for as a fiduciary fund. It was determined by the District, as a result of applying definitions in GASB Statement No. 84, that the District does not retain control of the assets and it is therefore no longer represented as a fiduciary fund.
- Associated Student Body Funds were previously accounted for as fiduciary funds. It was determined by the District, as a result of applying definitions in GASB Statement No. 84, that the funds are governmental rather than fiduciary. The District established a special revenue fund to account for these activities.

Implementation of these standards did not result in any additional changes to financial accounting or reporting for the District.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2021, 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	<u>\$ 248,487,732</u>	<u>\$ -</u>	<u>\$ 248,487,732</u>	<u>\$ -</u>
Total external investment pools	<u>248,487,732</u>	<u>-</u>	<u>248,487,732</u>	<u>-</u>
Other investments measured at fair value				
Cash with Fiscal Agent - Money Market Funds	<u>23,188,648</u>	<u>23,188,648</u>	<u>-</u>	<u>-</u>
Total other investments	<u>23,188,648</u>	<u>23,188,648</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 271,676,380</u>	<u>\$ 23,188,648</u>	<u>\$ 248,487,732</u>	<u>\$ -</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, 2021

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.

D. Cash and Investments

As of June 30, 2021 the District held the following cash and investments:

	General Fund	Charter School Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
Cash in County Treasury	\$ 40,264,377	\$ 14,322,610	\$ 68,462,242	\$ 75,319,974	\$ 34,416,113	\$ 232,785,316
Fair Market Value Adjustment	168,136	59,808	285,885	314,520	143,715	972,064
Cash in Banks & Revolving Fund	130,941	10,000	-	-	4,315,518	4,456,459
Cash with Fiscal Agent	-	-	-	23,188,648	-	23,188,648
Total Cash and Cash Equivalents	<u>\$ 40,563,454</u>	<u>\$ 14,392,418</u>	<u>\$ 68,748,127</u>	<u>\$ 98,823,142</u>	<u>\$ 38,875,346</u>	<u>\$ 261,402,487</u>
	Self-Insurance Fund					
Cash in County Treasury	\$ 14,669,097					
Fair Market Value Adjustment	61,255					
Cash in Banks & Revolving Fund	64,360					
Total Cash and Cash Equivalents	<u>\$ 14,794,712</u>					

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 (\$247,454,413 as of June 30, 2021). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$248,487,732. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances on hand and in banks (\$4,379,878 as of June 30, 2021) and in revolving fund (\$140,941 as of June 30, 2021) 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 (\$23,188,648 as of June 30, 2021) represented amounts held in a trust fund for the Community Facilities Districts. These funds were held in money market accounts with maturities less than 30 days. The funds were reported at fair market value.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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, 2021

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, 2021, 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	\$ 248,487,732
Money Market Funds	Unrated	Not Applicable	23,188,648

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, 2021, the District's bank balances exceeded FDIC limitations by \$4,206,459 and as such were exposed to custodial credit risk. Money market and county treasury investment pool balances of \$271,676,380 were not FDIC insured and therefore exposed to custodial credit risk.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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 \$248,487,732. The average weighted maturity for this pool was 613 days at June 30, 2021.

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, 2021

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, 2021 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	\$ 6,431,286	\$ -	\$ -	\$ -	\$ -	\$ 6,431,286
Child Nutrition Program	-	-	-	-	3,108,609	3,108,609
Education Stabilization	2,101,517	73,507	-	-	-	2,175,024
Other Federal Programs	192,863	159,539	-	-	-	352,402
State Government:						
LCFF State Aid	32,886,752	9,535,341	-	-	-	42,422,093
Special Education	6,699,101	-	-	-	-	6,699,101
Lottery	1,526,198	409,579	-	-	-	1,935,777
Child Nutrition Program	-	-	-	-	261,037	261,037
School Facilities Grant	-	1,597,522	-	-	-	1,597,522
Other State Programs	895,087	243,612	-	-	-	1,138,699
Local Sources						
Interest	79,303	26,733	112,800	117,943	19,152	355,931
Child Nutrition Program	500,610	23,964	-	-	-	524,574
After School Program	828,855	-	-	-	-	828,855
Other Local Sources	573,892	28,345	-	83,214	93,470	778,921
Total Accounts Receivable	<u>\$ 52,715,464</u>	<u>\$ 12,098,142</u>	<u>\$ 112,800</u>	<u>\$ 201,157</u>	<u>\$ 3,482,268</u>	<u>\$ 68,609,831</u>
	Self-Insurance Fund					
Local Sources						
Interest	<u>\$ 23,395</u>					
Total Accounts Receivable	<u>\$ 23,395</u>					

F. Prepaid Expenditures

Prepaid expenditures as of June 30, 2021 consisted of:

	<u>General Fund</u>
Prepaid service agreement	<u>\$ 35,261</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

G. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

<u>Governmental activities:</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 40,352,913	\$ -	\$ -	\$ 40,352,913
Work in progress	22,199,252	21,130,621	17,931,050	25,398,823
Total capital assets not being depreciated	62,552,165	21,130,621	17,931,050	65,751,736
Capital assets being depreciated:				
Land improvements	15,853,518	494,527	-	16,348,045
Buildings and improvements	575,249,815	31,626,995	-	606,876,810
Equipment	19,972,908	3,999,010	1,077,207	22,894,711
Total capital assets being depreciated	611,076,241	36,120,532	1,077,207	646,119,566
Less accumulated depreciation for:				
Land improvements	(8,643,915)	(627,222)	-	(9,271,137)
Buildings and improvements	(234,458,171)	(13,818,854)	-	(248,277,025)
Equipment	(14,985,711)	(1,365,212)	(1,076,421)	(15,274,502)
Total accumulated depreciation	(258,087,797)	(15,811,288)	(1,076,421)	(272,822,664)
Total capital assets being depreciated, net	352,988,444	20,309,244	786	373,296,902
Governmental activities capital assets, net	\$ 415,540,609	\$ 41,439,865	\$ 17,931,836	\$ 439,048,638

Depreciation was charged to functions as follows:

Instruction	\$ 14,482,488
Instruction Related	119,984
Pupil Services	576,500
General Administration	212,968
Plant Services	419,348
	<u>\$ 15,811,288</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

H. Interfund Balances & Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2021 consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Charter School Fund	\$ 16,038	Charter ADA transfer
General Fund	Charter School Fund	713,804	Charter school oversight
General Fund	Charter School Fund	188,584	Reimbursement of expenses
General Fund	Charter School Fund	8,181	Use tax
General Fund	Building Fund	1	Use tax
General Fund	Capital Project Fund for Blended Component Unit	100,133	Reimbursement of expenses
General Fund	Nonmajor Governmental Funds	114,950	Indirect costs
General Fund	Nonmajor Governmental Funds	722	Use tax
General Fund	Nonmajor Governmental Funds	255	Reimbursement of expenses
Charter School Fund	General Fund	91,750	Impact aid revenue transfer
Charter School Fund	General Fund	1,872,958	Property tax revenue transfer
Charter School Fund	Nonmajor Governmental Funds	7,647	Reimbursement of expenses
Building Fund	Building Fund	40,766	Reimbursement of expenses
Capital Project Fund for Blended Component Unit	General Fund	335,652	Reimbursement of expenses
Capital Project Fund for Blended Component Unit	Capital Project Fund for Blended Component Unit	655	Reimbursement of expenses
Nonmajor Governmental Funds	General Fund	631,152	Reimbursement of expenses
	Total	<u>\$ 4,123,248</u>	

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2021, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
Building Fund	Charter School Fund	\$ 589,913	Transfer for capital projects expenses
Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	19,958,160	Transfer for capital projects expenses
Nonmajor Governmental Funds	Capital Project Fund for Blended Component Unit	14,288,880	Transfer for debt service payments
	Total	<u>\$ 34,836,953</u>	

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

I. Accounts Payable

Accounts payable balances as of June 30, 2021 consisted of:

	Major Governmental Funds					
	General Fund	Charter School Fund	Building Fund	Capital Projects Fund for Blended Component Units	Nonmajor Governmental Funds	Total Governmental Funds
Vendors Payable	\$ 4,120,220	\$ 353,665	\$ 2,107,133	\$ 1,910,691	\$ 148,853	\$ 8,640,562
Payroll and Benefits	3,641,431	648,115	-	-	51,320	4,340,866
LCFF Repayment	56,939	1,089,630	-	-	-	1,146,569
OPSC Repayment	-	-	-	-	1,443,634	1,443,634
Property Tax Transfer	584,963	-	-	-	-	584,963
Other Current Liabilities	90,163	7,568	-	-	268,440	366,171
Total Accounts Payable	<u>\$ 8,493,716</u>	<u>\$ 2,098,978</u>	<u>\$ 2,107,133</u>	<u>\$ 1,910,691</u>	<u>\$ 1,912,247</u>	<u>\$ 16,522,765</u>

J. Unearned Revenue

Unearned revenue balances as of June 30, 2021 consisted of:

	Major Governmental Funds		
	General Fund	Charter School Fund	Total
Federal Government:			
Title I	\$ 116,093	\$ 3,597	\$ 119,690
Title III	-	36,655	36,655
Title IV	65,520	26,338	91,858
Education Stabilization	23,554	492,743	516,297
Other Federal Programs	3,903	11,468	15,371
State Government:			
In Person Instruction	2,230,078	768,922	2,999,000
Local Sources			
After School Program	149,600	-	149,600
Local Contracts & Grants	407,546	70,704	478,250
Total Unearned Revenue	<u>\$ 2,996,294</u>	<u>\$ 1,410,427</u>	<u>\$ 4,406,721</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

K. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2021 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	\$ 130,941	\$ 10,000	\$ -	\$ -	\$ -	\$ 140,941
Inventory	837,336	-	-	-	190,299	1,027,635
Prepaid Expenditures	35,261	-	-	-	-	35,261
Total Nonspendable Fund Balance	1,003,538	10,000	-	-	190,299	1,203,837
Restricted Fund Balance						
Child Nutrition Program	-	-	-	-	6,953,854	6,953,854
Capital Projects	-	1,052	66,753,793	97,349,127	9,321,100	173,425,072
Educational Programs	9,829,108	2,909,747	-	-	1,116,077	13,854,932
Debt Service	-	-	-	-	22,590,405	22,590,405
Associated Student Body	-	-	-	-	736,557	736,557
Other Purposes	540,585	76,069	-	-	-	616,654
Total Restricted Fund Balance	10,369,693	2,986,868	66,753,793	97,349,127	40,717,993	218,177,474
Assigned Fund Balance						
Pupil Transportation	-	-	-	-	228,237	228,237
Charter School Programs	-	21,030,035	-	-	-	21,030,035
Other Purposes	3,431,797	-	-	-	6,715	3,438,512
Total Committed Fund Balance	3,431,797	21,030,035	-	-	234,952	24,696,784
Unassigned Fund Balance						
For Economic Uncertainties	41,067,633	-	-	-	-	41,067,633
Total Unassigned Fund Balance	41,067,633	-	-	-	-	41,067,633
Total Fund Balance	\$ 55,872,661	\$ 24,026,903	\$ 66,753,793	\$ 97,349,127	\$ 41,143,244	\$ 285,145,728

L. 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 2020 issued August 25, 2020. The notes were repaid by June 30, 2021 including interest at 3.00%. The District's share of the Tax and Revenue Anticipation Notes issued was \$20,000,000. The notes were issued to supplement cash flows of the District.

The District participated in the County of San Diego and San Diego County School Districts Tax and Revenue Anticipation Note Program, Series 2020B-2 issued March 18, 2021. The notes mature on January 31, 2022 including interest at 0.25%. The District's share of the Tax and Revenue Anticipation Notes issued was \$25,000,000. The notes were issued to supplement cash flows of the District.

Description	Beginning Balance	Issued	Redeemed	Ending Balance
Tax Revenue Anticipation Notes	\$ -	\$45,000,000	\$20,000,000	\$25,000,000

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

M. 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, 2021, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 183,158,978	\$ 53,641,024	\$ 6,165,528	\$ 230,634,474	\$ 17,283,641
Certificates of Participation	161,960,889	-	9,798,247	152,162,642	10,728,404
Capital Leases	398,434	40,338	167,448	271,324	108,377
Net Pension Liability*	365,208,216	-	6,418,947	358,789,269	-
Net OPEB Obligation*	41,796,507	8,850,965	-	50,647,472	-
Compensated Absences*	1,790,254	-	62,424	1,727,830	1,727,830
Total Governmental Activities	<u>\$ 754,313,278</u>	<u>\$ 62,532,327</u>	<u>\$ 22,612,594</u>	<u>\$ 794,233,011</u>	<u>\$ 29,848,252</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.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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.

On November 6, 2018, registered voters authorized the issuance of \$150,000,000 principal amount of general obligation bonds. As of June 30, 2021, 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, 2021, \$250,000,000 remains unissued.

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.

On August 13, 2020, the District issued \$50,000,000 in 2020 Election, Series A general obligation bonds. The bonds mature annually on August 1 from August 1, 2021, through August 1, 2027. The bonds bear interest at 2.00% with semi-annual payments on February 1 and August 1 through maturity. The bonds plus premium of \$2,688,808 were deposited into a capital project fund, a reserve fund, and paid the costs of issuance for the bonds.

General obligation bonds at June 30, 2021 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
2020 Election Series A	08/13/20	2.00%	08/01/27	50,000,000
Total				<u>\$ 264,118,285</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2010 Refunding Bonds					
Principal	\$ 7,225,000	\$ -	\$ 980,000	\$ 6,245,000	\$ 1,015,000
Premium	173,695	-	23,560	150,135	24,401
2012 Refunding Bonds					
Principal	11,430,000	-	1,135,000	10,295,000	1,190,000
Premium	1,343,678	-	133,427	1,210,251	139,893
2012 Election Series A					
Principal	23,620,000	-	485,000	23,135,000	555,000
Premium	731,504	-	15,020	716,484	17,188
2013 Refunding Bonds					
Principal	16,805,000	-	2,710,000	14,095,000	2,795,000
Premium	1,917,445	-	309,210	1,608,235	318,909
2012 Election Series B					
Principal	11,020,000	-	235,000	10,785,000	270,000
Premium	601,591	-	12,829	588,762	14,740
2012 Election Series C					
Principal	44,940,000	-	120,000	44,820,000	185,000
Premium	2,427,755	-	6,482	2,421,273	9,993
2019 GO Bond Anticipation Notes					
Principal	59,998,285	-	-	59,998,285	-
Premium	95,107	-	-	95,107	-
Accreted Interest	829,918	952,216	-	1,782,134	-
2020 Election Series A					
Principal	-	50,000,000	-	50,000,000	10,200,000
Premium	-	2,688,808	-	2,688,808	548,517
Total	<u>\$ 183,158,978</u>	<u>\$ 53,641,024</u>	<u>\$ 6,165,528</u>	<u>\$ 230,634,474</u>	<u>\$ 17,283,641</u>

The annual requirements to amortize the bonds outstanding at June 30, 2021 are as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2022	\$ 16,210,000	\$ 5,254,127	\$ -	\$ 21,464,127
2023	17,430,000	4,757,727	-	22,187,727
2024	75,008,285	4,268,627	3,831,715	83,108,627
2025	10,130,000	3,869,708	-	13,999,708
2026	10,095,000	3,545,883	-	13,640,883
2027-2031	31,725,000	12,973,106	-	44,698,106
2032-2036	20,680,000	9,091,426	-	29,771,426
2037-2041	30,550,000	4,532,870	-	35,082,870
2042-2046	7,545,000	150,900	-	7,695,900
Total	<u>\$ 219,373,285</u>	<u>\$ 48,444,374</u>	<u>\$ 3,831,715</u>	<u>\$ 271,649,374</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, 2021.

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.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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	3,598,520	4,774,857	16,632,506
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%
	2013 Refunding Bond	2012 Election Series B	2012 Election Series C
Total Interest Payments	\$ 9,647,357	\$ 6,454,065	\$ 37,033,988
Less Bond Premium	(3,509,136)	(764,272)	(2,430,996)
Net Interest Payments	6,138,221	5,689,793	34,602,992
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 Anticipation Note	2020 Election Series A	
Total Interest Payments	\$ 3,831,715	\$ 3,410,767	
Less Bond Premium	(95,107)	(2,688,808)	
Net Interest Payments	3,736,608	721,959	
PAR Amount of Bonds	59,998,285	50,000,000	
Periods	4	7	
Effective Interest Rate	1.56%	0.21%	

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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.

Certificates of participation issued by the District as of June 30, 2021 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	\$ 5,880,000	\$ -	\$ 885,000	\$ 4,995,000	\$ 955,000
Premium	119,503	-	17,986	101,517	19,409
2011 COPs					
Principal	20,165,000	-	620,000	19,545,000	655,000
Discount	(373,895)	-	(11,496)	(362,399)	(12,145)
2013 Refunding COPs					
Principal	29,425,000	-	2,975,000	26,450,000	3,555,000
Premium	3,410,297	-	344,796	3,065,501	412,017
2013 Charter School COPs					
Principal	5,370,000	-	290,000	5,080,000	305,000
Premium	4,349	-	235	4,114	247
2014 Refunding COPs					
Principal	32,990,000	-	2,285,000	30,705,000	2,390,000
Premium	3,041,527	-	210,667	2,830,860	220,347
2016 COPs					
Principal	32,245,000	-	1,130,000	31,115,000	1,185,000
Premium	1,894,881	-	66,405	1,828,476	69,637
2016 Refunding COPs					
Principal	1,820,000	-	915,000	905,000	905,000
Premium	138,546	-	69,654	68,892	68,892
2020 COPs					
Principal	25,000,000	-	-	25,000,000	-
Premium	830,681	-	-	830,681	-
Total	<u>\$ 161,960,889</u>	<u>\$ -</u>	<u>\$ 9,798,247</u>	<u>\$ 152,162,642</u>	<u>\$ 10,728,404</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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

Year Ended June 30,	Principal	Interest	Total
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	11,240,000	3,381,509	14,621,509
2027-2031	44,440,000	11,210,309	55,650,309
2032-2036	21,715,000	5,061,241	26,776,241
2037-2041	13,115,000	2,203,401	15,318,401
2042-2046	6,555,000	1,029,585	7,584,585
2047-2051	4,640,000	185,980	4,825,980
Total	<u>\$ 143,795,000</u>	<u>\$ 41,670,754</u>	<u>\$ 185,465,754</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 COPs	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, 2021

	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	4,622,430	11,831,014	14,396,695
PAR Amount of COPs	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	211,921	11,582,610
PAR Amount of COPs	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.

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.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

During the 2020-21 fiscal year the District entered into 4 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
2022	\$ 108,377	\$ -	\$ 108,377
2023	87,469	-	87,469
2024	61,514	-	61,514
2025	10,735	-	10,735
2026	3,229	-	3,229
Total	<u>\$ 271,324</u>	<u>\$ -</u>	<u>\$ 271,324</u>

5. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2021, amounted to \$1,727,830. 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 \$365,208,216 and decreased by \$6,418,947 during the year ended June 30, 2021 for a ending net pension liability of \$358,789,269. See Note N for additional information regarding the net pension liability.

7. Net OPEB Liability

The District's beginning net OPEB liability was \$41,796,507 and increased by \$8,850,965 during the year ended June 30, 2021 for a ending net OPEB liability of \$50,647,472. See Note O for additional information regarding the net OPEB liability.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

N. 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, 2021 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 (2020-21)	10.250%	10.205%
Required Employer Contribution Rates (2020-21)	16.150%	16.150%
Required State Contribution Rates (2020-21)	10.328%	10.328%

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

**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

	CalPERS	
	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	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%*
Required Employee Contribution Rates (2020-21)	7.000%	7.000%
Required State Contribution Rates (2020-21)	20.700%	20.700%

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

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2021, 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 16.15% of creditable compensation for the fiscal year ended June 30, 2021. 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. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. For 2020-21, the employer rate reflects a 2.95% reduction from the rate that was originally required in the funding plan.

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, 2021, the employee contribution rate was 7.00% and the employer contribution rate was 20.700% of covered payroll. For 2020-21, the employer rate reflects a 1.98% reduction from the rate originally adopted by the board on April 21, 2020, due to an amendment of Government Code §20825.2.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2021 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 State's 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 June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2019	9.828%	\$ 22,616,772	\$ (4,589,013)
2020	10.328%	16,329,649	5,161,980
2021	10.328%	17,689,271	11,520,653

CalPERS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2019	N/A	\$ 1,367,933	N/A

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 and \$297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

d. Contributions Recognized

For the fiscal year ended June 30, 2021 (measurement period June 30, 2020), the contributions recognized for each plan were:

	Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 25,521,312	\$ 10,914,929	\$ 36,436,241
Contributions - State On Behalf Payments	17,689,271	-	17,689,271
Total Governmental Funds	<u>\$ 43,210,583</u>	<u>\$ 10,914,929</u>	<u>\$ 54,125,512</u>

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 27,036,889	\$ 10,543,364	\$ 37,580,253
Contributions - State On Behalf Payments	-	-	-
Total Government-Wide	<u>\$ 27,036,889</u>	<u>\$ 10,543,364</u>	<u>\$ 37,580,253</u>

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

As of June 30, 2020 (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	CalPERS	Total
Governmental Activities	<u>\$ 246,343,773</u>	<u>\$ 112,445,496</u>	<u>\$ 358,789,269</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2020. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to measurement date June 30, 2020 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, 2020 and June 30, 2021 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
<u>Governmental Activities</u>				
Proportion June 30, 2020	0.2839%	0.0300%	0.3139%	0.3733%
Proportion June 30, 2021	0.2542%	0.1807%	0.4349%	0.3665%
Change in Proportion	-0.0297%	0.1507%	0.1210%	-0.0068%

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

a. Pension Expense

	Governmental Activities		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ (10,057,004)	\$ 3,638,057	\$ (6,418,947)
State On Behalf Pension Expense	11,520,653	-	11,520,653
Employer Contributions to Pension Expense	25,521,312	10,914,929	36,436,241
Change in Contributions Subsequent to Measurement Date	1,515,577	(371,565)	1,144,012
Change in Other Deferred Outflows/Inflows of Resources	7,228,936	9,370,958	16,599,894
Total Pension Expense - Governmental	\$ 35,729,474	\$ 23,552,379	\$ 59,281,853

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

b. Deferred Outflows and Inflows of Resources

At June 30, 2021, The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Pension contributions subsequent to measurement date	\$ 25,521,312	\$ 10,914,929	\$ 36,436,241
Differences between actual and expected experience	384,154	6,136,576	6,520,730
Changes in assumptions	18,278,945	498,597	18,777,542
Changes in employer's proportionate share	7,730,722	1,239,203	8,969,925
Net difference between projected and actual earnings	5,243,018	2,346,708	7,589,726
Total Deferred Outflows of Resources	<u>\$ 57,158,151</u>	<u>\$ 21,136,013</u>	<u>\$ 78,294,164</u>

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Differences between actual and expected experience	\$ 5,993,424	\$ -	\$ 5,993,424
Changes in assumptions	-	-	-
Changes in employer's proportionate share	22,804,958	1,601,069	24,406,027
Net difference between projected and actual earnings	-	-	-
Total Deferred Inflows of Resources	<u>\$ 28,798,382</u>	<u>\$ 1,601,069</u>	<u>\$ 30,399,451</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, 2022. 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,	Governmental Activities				
	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2022	\$ 31,553,878	\$ 15,024,888	\$ (6,954,418)	\$ (400,267)	\$ 39,224,081
2023	11,146,626	2,874,221	(6,949,517)	(400,267)	6,671,063
2024	9,886,099	2,119,142	(6,948,803)	(400,267)	4,656,171
2025	3,824,199	1,117,762	(6,497,171)	(400,268)	(1,955,478)
2026	373,676	-	(1,098,765)	-	(725,089)
Thereafter	373,673	-	(349,708)	-	23,965
Total	<u>\$ 57,158,151</u>	<u>\$ 21,136,013</u>	<u>\$ (28,798,382)</u>	<u>\$ (1,601,069)</u>	<u>\$ 47,894,713</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2021, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2020	June 30, 2020
Valuation Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	1997 - 2015
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 (annually) maintaining 85% purchasing power level.
- (2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.
- (3) Varies by entry age and service.
- (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.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

a. 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.

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. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. 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, 2021

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*
Public Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%
*20 year average		

CalPERS			
Asset Class⁽¹⁾	Assumed Asset Allocation	Real Return Years 1 - 10⁽²⁾	Real Return Years 11+⁽³⁾
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%

(1) 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.

(2) An expected inflation of 2.00% is used for this period.

(3) An expected inflation of 2.92% is used for this period

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

b. 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	\$ 372,191,126	\$ 161,660,905
Current Discount Rate	7.10%	7.15%
Net Pension Liability	\$ 246,343,773	\$ 112,445,496
1% Increase	8.10%	8.15%
Net Pension Liability	\$ 142,439,061	\$ 71,599,176

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2020					
(Previously Reported)	\$ 1,462,047,324	\$ 1,060,902,687	\$ 401,144,637	\$ 144,743,860	\$ 256,400,777
Changes for the year					
CalSTRS auditor adjustment	(8,698)	-	(8,698)	(3,614)	(5,084)
Change in proportionate share	(30,440,061)	(22,088,164)	(8,351,897)	18,460,684	(26,812,581)
Service cost	31,921,788	-	31,921,788	13,263,435	18,658,353
Interest	101,479,974	-	101,479,974	42,164,712	59,315,262
Difference between expected and actual experience	(4,188,104)	-	(4,188,104)	(1,740,148)	(2,447,956)
Change in assumptions	4,475,139	-	4,475,139	1,859,411	2,615,728
Change in benefits	-	-	-	-	-
Contributions:					
Employer	-	26,442,287	(26,442,287)	(10,986,714)	(15,455,573)
Employee	-	16,243,763	(16,243,763)	(6,749,249)	(9,494,514)
State on oehalf	-	19,339,365	(19,339,365)	(8,035,465)	(11,303,900)
Net investment income	-	43,938,463	(43,938,463)	(18,256,337)	(25,682,126)
Other income	-	441,090	(441,090)	(183,272)	(257,818)
Benefit payments ⁽¹⁾	(69,691,600)	(69,691,600)	-	-	-
Administrative expenses	-	(951,861)	951,861	395,496	556,365
Borrowing costs	-	(411,804)	411,804	171,104	240,700
Other expenses	-	(27,612)	27,612	11,472	16,140
Net changes	33,548,438	13,233,927	20,314,511	30,371,515	(10,057,004)
Balance at June 30, 2021	<u>1,495,595,762</u>	<u>1,074,136,614</u>	<u>421,459,148</u>	<u>175,115,375</u>	<u>246,343,773</u>

(1) – Includes refunds of employee contributions

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

CalPERS

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2020			
(Previously Reported)	\$ 363,264,496	\$ 254,457,057	\$ 108,807,439
Changes for the year			
Change in proportionate share	(6,681,659)	(4,680,323)	(2,001,336)
Service cost	8,439,446	-	8,439,446
Interest	25,303,926	-	25,303,926
Difference between expected and actual experience	1,658,151	-	1,658,151
Change in assumptions	-	-	-
Change in benefits	-	-	-
Contributions:			
Employer	-	10,503,673	(10,503,673)
Employee	-	3,840,585	(3,840,585)
Nonemployer	-	3,312,925	(3,312,925)
Net plan to plan resource movement	-	599	(599)
Net investment income	-	12,454,748	(12,454,748)
Benefit payments ⁽¹⁾	(17,119,307)	(17,119,307)	-
Administrative expenses	-	(350,400)	350,400
Other expenses	-	-	-
Net changes	11,600,557	7,962,500	3,638,057
Balance at June 30, 2021	374,865,053	262,419,557	112,445,496

(1) – Includes refunds of employee contributions

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, 2021

O. 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)

Annual maximum benefit is \$7,000 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 employees are eligible for the \$1,200, regardless of current or future coverage status. Eligibility for retiree health coverage requires retirement under STRS or PERS 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 according to Table I. on the following page 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 seven thousand dollars (\$7,000) to be applied toward the monthly premium of the District group medical insurance program until the employee reaches age sixty-five (65). (prior to January 1, 2021, the annual maximum was \$6,500). The District also provides \$1,200 for any eligible retiree waiving coverage.

Eligibility for retiree health coverage requires retirement under PERS or STRS 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, 2021

Non-Represented Employees

The annual maximum for Certificated non-represented employees is \$7,000 effective January 1, 2020 (prior to January 1, 2020 the annual maximum was \$4,278). 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 according to Table I below. 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 of which are benefit eligible service, the District shall contribute an amount up to the maximum of seven thousand dollars (\$7,000) to be applied toward the monthly premium of the District group medical insurance program until the employee reaches age sixty-five (65). The District also provides \$1,200 for any eligible retiree waiving coverage.

Eligibility for retiree health coverage requires retirement under PERS or STRS 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).

Table I										
Years of Service	Age at Retirement									
	55	56	57	58	59	60	61	62	63	64
10	\$7000	\$7000	\$7000	\$7000	\$7000	\$7000	\$7000	\$7000	\$7000	\$7000
11	7000	7000	7000	7000	7000	7000	7000	7000	7000	7000
12	7000	7000	7000	7000	7000	7000	7000	7000	7000	7000
13	7000	7000	7000	7000	7000	7000	7000	7000	7000	7000
14	7000	7000	7000	7000	7000	7000	7000	7000	7110	7110
15	7000	7000	7000	7000	7000	7000	7052	7431	7810	7810
16	7000	7000	7000	7000	7000	7110	7576	8009	8009	8009
17	7000	7000	7000	7000	7110	7693	8009	8009	8009	8009
18	7000	7000	7000	7000	7576	8009	8009	8009	8009	8009
19	7000	7000	7000	7227	8009	8009	8009	8009	8009	8009
20	7000	7000	7000	7664	8009	8009	8009	8009	8009	8009
21	7000	7000	7000	8009	8009	8009	8009	8009	8009	8009
22	7000	7000	7285	8009	8009	8009	8009	8009	8009	8009
23	7000	7000	7635	8009	8009	8009	8009	8009	8009	8009
24	7000	7000	7985	8009	8009	8009	8009	8009	8009	8009
25	7000	7000	8009	8009	8009	8009	8009	8009	8009	8009
26	7000	7000	8009	8009	8009	8009	8009	8009	8009	8009
27	7000	7000	8009	8009	8009	8009	8009	8009	8009	8009
28	7000	7168	8009	8009	8009	8009	8009	8009	8009	8009
29	7000	7402	8009	8009	8009	8009	8009	8009	8009	8009
30+	8009	8009	8009	8009	8009	8009	8009	8009	8009	8009

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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, 2021, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	144
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>3,018</u>
	<u><u>3,162</u></u>

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.

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

B. Net OPEB Liability of the District and the Plan

The District's net OPEB liability was measured as of June 30, 2021, 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, 2021, 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, 2021
Valuation Date	June 30, 2021
Funding Policy	Pay-as-you-go
Asset Return	7.0% per annum
Discount Rate	2.31% per annum
Inflation	2.75% per annum
Payroll Growth	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.
Medical Trend Rates	From 4.50% to 6.50%

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

Discount Rate

The discount rate of 2.31% 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, 2020 discount rate of 2.93%.

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, 2021 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%
Global Debt Securities	25%	2.35%
Inflation Assets	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, 2021

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, 2020	\$ 58,278,188	\$ 16,481,681	\$ 41,796,507
Changes for the year:			
Service cost	4,318,436	-	4,318,436
Interest	1,790,338	-	1,790,338
Changes of benefit terms	1,272,141	-	1,272,141
Changes of assumptions	4,036,080	-	4,036,080
Experience differences	3,827,539		3,827,539
Contributions - employer	-	1,972,006	(1,972,006)
Net investment income	-	4,430,600	(4,430,600)
Benefit payments	(3,007,604)	(3,007,604)	-
Administrative expenses	-	(9,037)	9,037
Other expenses	-	-	-
Net change	12,236,930	3,385,965	8,850,965
Balance at June 30, 2021	\$ 70,515,118	\$ 19,867,646	\$ 50,647,472

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:

	1% Decrease (1.31%)	Valuation Discount Rate (2.31%)	1% Increase (3.31%)
Net OPEB Liability	\$ 56,250,430	\$ 50,647,472	\$ 45,411,361

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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	\$ 43,028,897	\$ 50,647,472	\$ 59,539,543

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position can be obtained from CalPERS.

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$7,477,182. At June 30, 2021 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>
Experience differences	\$ 3,431,999	\$ -
Changes of assumptions	9,425,229	(967,775)
Net earnings differences	<u>-</u>	<u>(2,281,906)</u>
Total	<u>\$ 12,857,228</u>	<u>\$ (3,249,681)</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2022	\$ 1,995,766	\$ (790,760)	\$ 1,205,006
2023	1,995,766	(761,624)	1,234,142
2024	1,995,766	(792,797)	1,202,969
2025	1,995,766	(904,500)	1,091,266
2026	1,995,766	-	1,995,766
Thereafter	2,878,398	-	2,878,398
Total	<u>\$ 12,857,228</u>	<u>\$ (3,249,681)</u>	<u>\$ 9,607,547</u>

Payables to the OPEB Plan

At June 30, 2021, the District did not have any payables to the OPEB plan outstanding.

P. 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, 2021

Q. 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.

R. 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, 2021.

3. Construction Commitments

As of June 30, 2021, the District had the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Expected Date of Completion*</u>
Construction in Process:		
HVAC and Roof Replacement	\$ 8,700,000	June 2022
Fahari Jeffers Elementary School	45,000,000	June 2022
School 48	78,000,000	June 2024
Districtwide Solar Project	28,921,000	September 2022
Transportation Center	11,800,000	March 2023

*Expected date of completion subject to change

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

S. 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, 2021 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Loss - 2013 Bonds	\$ 626,824	\$ -	\$ 69,009	\$ 557,815
Refunding Loss - 2015 COPs	1,679,144	-	147,078	1,532,066
Refunding Loss - 2016 COPs	148,876	-	85,073	63,803
Prepaid Debt Insurance - 2020 COPs	32,480	-	1,120	31,360
Pension Related				
CalSTRS	44,846,429	45,389,662	33,077,940	57,158,151
CalPERS	28,579,326	17,959,683	25,402,996	21,136,013
OPEB Related	6,989,375	7,863,619	1,995,766	12,857,228
Total Deferred Outflows of Resources	<u>\$ 82,902,454</u>	<u>\$ 71,212,964</u>	<u>\$ 60,778,982</u>	<u>\$ 93,336,436</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

Future amortization of deferred outflows is as follows:

Year Ending June 30,	Refunding Losses	Prepaid Insurance	Pension Related	OPEB Related	Total
2022	\$ 279,890	\$ 1,120	\$ 46,578,766	\$ 1,995,766	\$ 48,855,542
2023	216,087	1,120	14,020,847	1,995,766	16,233,820
2024	216,087	1,120	12,005,241	1,995,766	14,218,214
2025	216,087	1,120	4,941,961	1,995,766	7,154,934
2026	216,087	1,120	373,676	1,995,766	2,586,649
Thereafter	1,009,446	25,760	373,673	2,878,398	4,287,277
Total	<u>\$ 2,153,684</u>	<u>\$ 31,360</u>	<u>\$ 78,294,164</u>	<u>\$ 12,857,228</u>	<u>\$ 93,336,436</u>

T. 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, 2021 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	\$ 7,742,147	\$ 29,260,537	\$ 8,204,302	\$ 28,798,382
CalPERS	44,989	2,001,336	445,256	1,601,069
OPEB Related	727,613	3,312,826	790,758	3,249,681
Total Deferred Inflows of Resources	<u>\$ 8,514,749</u>	<u>\$ 34,574,699</u>	<u>\$ 9,440,316</u>	<u>\$ 33,649,132</u>

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related	OPEB Related	Total
2022	\$ 7,354,685	\$ 790,760	\$ 8,145,445
2023	7,349,784	761,624	8,111,408
2024	7,349,070	792,797	8,141,867
2025	6,897,439	904,500	7,801,939
2026	1,098,765	-	1,098,765
Thereafter	349,708	-	349,708
Total	<u>\$ 30,399,451</u>	<u>\$ 3,249,681</u>	<u>\$ 33,649,132</u>

Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2021

U. Adjustment to Beginning Balance

As a result of the implementation of GASB Statement No. 84, the District adjusted beginning fund balance/net position as follows:

	Government-Wide Financial Statements	Associated Student Body Fund
Beginning Net Position/Fund Balance as Reported in June 30, 2020 Audit Report	\$ (51,781,307)	\$ -
Adjustments to Beginning Balance		
Inclusion of Associated Student Body Funds as governmental under GASB 84	828,539	828,539
Beginning Net Position/Fund Balance, as Restated	<u>\$ (50,952,768)</u>	<u>\$ 828,539</u>

V. 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 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 91, Conduit Debt Obligations	05/2019	2022-23
GASB Statement 92, Omnibus 2020	01/2020	2021-22
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 Statement 98, The Annual Comprehensive Financial Report	10/2021	2021-22
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
GASB Implementation Guide No. 2021-1, Implementation Guidance Update – 2021	05/2021	2021-22 Thru 2023-24

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, 2021

W. 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 the 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 were re-opened.

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 established and followed a re-opening plan that they believe is providing 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. Some funding provided as a result of COVID-19 is intended to be spent over multiple years. The District has taken all of the requirements of each funding source into consideration in preparation of budgets for upcoming years.

X. Subsequent Events

2021 Refunding Certificates of Participation

On November 16, 2021, the District issued 2021 Refunding Certificates of Participation Series A totaling \$16,475,000 and 2021 Refunding Certificates of Participation Series B totaling \$5,450,000 for a total issuance of \$21,925,000. The par amount of the issuance plus premium of \$3,029,900 were used to pay the costs of issuance and refund \$18,890,000 of 2011 Certificates of Participation and \$4,775,000 of 2013 Certificates of Participation for a total refunding of \$23,665,000. The 2021 Series A Certificates of Participation carry an interest rate of 4.00% with annual maturities beginning September 1, 2022 and extending through September 1, 2036. The 2021 Series B Certificates of Participation carry interest rates varying from 0.636% to 2.830% with annual maturities from September 1, 2022 and extending through September 1, 2033.

2021 Certificates of Participation

On November 18, 2021, the District issued the 2021 Certificates of Participation totaling \$60,000,000. The proceeds plus premium of \$804,088 were issued to provide funds for capital projects plus cover the costs of issuance. The 2021 Certificates of Participation carry interest rates varying from 2.00% to 4.00% with annual maturities beginning September 1, 2022 and extending through September 1, 2051.

Change in Administration

On August 31, 2021, Dr. Escobedo retired as superintendent of the District after many years of service. Following which Dr. Reyes resigned from the school board. On January 18, 2022, Dr. Reyes was selected to replace Dr. Escobedo as Superintendent of the District.

Required Supplementary Information

Chula Vista Elementary School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
LCFF Sources				
State Apportionment	\$ 110,771,214	\$ 99,476,017	\$ 98,447,495	\$ (1,028,522)
Education Protection Account	18,295,632	24,463,633	24,967,747	504,114
Property Taxes	85,832,328	90,620,210	91,271,219	651,009
Federal Revenue	37,320,894	40,411,879	41,049,411	637,532
Other State Revenue	22,031,044	37,789,897	33,987,226	(3,802,671)
Interest Income	420,000	753,138	925,696	172,558
Fair Market Value Adjustment	-	-	168,136	168,136
Other Local Revenue	32,903,068	33,814,589	33,553,097	(261,492)
Total Revenues	<u>307,574,180</u>	<u>327,329,363</u>	<u>324,370,027</u>	<u>(2,959,336)</u>
Expenditures				
Current Expenditures:				
Certificated Salaries	137,447,212	132,881,773	133,113,293	(231,520)
Classified Salaries	51,925,776	47,900,300	47,612,271	288,029
Employee Benefits	76,445,879	75,232,639	75,751,237	(518,598)
Books and Supplies	15,822,762	19,439,823	19,606,106	(166,283)
Services and Other Operating	41,101,883	36,092,507	34,918,153	1,174,354
Other Outgo	1,641,949	1,404,638	1,340,576	64,062
Transfers of Indirect Costs	(390,038)	(301,649)	(330,849)	29,200
Capital Outlay	276,976	304,712	300,096	4,616
Debt Service				
Principal	-	-	102,626	(102,626)
Interest	-	-	-	-
Total Expenditures	<u>324,272,399</u>	<u>312,954,743</u>	<u>312,413,509</u>	<u>541,234</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,698,219)</u>	<u>14,374,620</u>	<u>11,956,518</u>	<u>(2,418,102)</u>
Other Financing Sources (Uses)				
Proceeds from Capital Leases	94,472	151,815	40,338	(111,477)
Net Financing Sources (Uses)	<u>94,472</u>	<u>151,815</u>	<u>40,338</u>	<u>(111,477)</u>
Net Change in Fund Balance	<u>(16,603,747)</u>	<u>14,526,435</u>	<u>11,996,856</u>	<u>(2,529,579)</u>
Fund Balance - Beginning of Year	<u>43,875,805</u>	<u>43,875,805</u>	<u>43,875,805</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 27,272,058</u>	<u>\$ 58,402,240</u>	<u>\$ 55,872,661</u>	<u>\$ (2,529,579)</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, 2021

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
LCFF Sources				
State Apportionment	\$ 30,679,365	\$ 26,468,569	\$ 26,960,819	\$ 492,250
Education Protection Account	5,001,492	8,727,517	8,364,897	(362,620)
Property Taxes	21,578,277	22,651,948	22,674,019	22,071
Federal Revenue	7,411,768	7,765,553	6,226,185	(1,539,368)
Other State Revenue	4,759,916	8,380,426	9,265,258	884,832
Interest Income	339,292	220,000	230,157	10,157
Fair Market Value Adjustment	-	-	59,808	59,808
Other Local Revenue	321,545	56,535	207,214	150,679
Total Revenues	<u>70,091,655</u>	<u>74,270,548</u>	<u>73,988,357</u>	<u>(282,191)</u>
Expenditures				
Current Expenditures:				
Certificated Salaries	28,329,281	27,568,559	27,792,322	(223,763)
Classified Salaries	6,173,988	5,169,601	5,461,563	(291,962)
Employee Benefits	13,358,651	13,232,446	13,387,736	(155,290)
Books and Supplies	8,176,228	5,353,657	5,505,556	(151,899)
Services and Other Operating	15,219,910	16,790,583	16,673,369	117,214
Other Outgo	-	-	16,038	(16,038)
Capital Outlay	450,000	1,313,933	910,037	403,896
Debt Service				
Principal	-	-	64,822	(64,822)
Interest	-	-	591	(591)
Total Expenditures	<u>71,708,058</u>	<u>69,428,779</u>	<u>69,812,034</u>	<u>(383,255)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,616,403)</u>	<u>4,841,769</u>	<u>4,176,323</u>	<u>(665,446)</u>
Other Financing Sources (Uses)				
Transfers Out	(589,913)	(589,913)	(589,913)	-
Net Financing Sources (Uses)	<u>(589,913)</u>	<u>(589,913)</u>	<u>(589,913)</u>	<u>-</u>
Net Change in Fund Balance	(2,206,316)	4,251,856	3,586,410	(665,446)
Fund Balance - Beginning of Year	<u>20,440,493</u>	<u>20,440,493</u>	<u>20,440,493</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 18,234,177</u>	<u>\$ 24,692,349</u>	<u>\$ 24,026,903</u>	<u>\$ (665,446)</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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.2542%	0.2839%	0.2863%	0.2674%	0.2629%	0.2722%	0.2486%	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$246,343,773	\$256,400,777	\$263,171,088	\$247,331,021	\$212,619,782	\$183,229,918	\$145,264,393	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	175,115,375	144,743,860	143,233,406	152,177,171	128,453,909	101,241,699	84,681,976	N/A	N/A	N/A
Total	<u>\$421,459,148</u>	<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>
District's covered payroll**	156,488,433	152,591,388	152,068,960	141,405,525	130,607,697	125,770,927	110,149,188	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	157.42%	168.03%	173.06%	174.91%	162.79%	145.69%	131.88%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 25,521,312	\$ 26,759,522	\$ 24,841,878	\$ 21,943,551	\$ 17,788,815	\$ 14,014,206	\$ 11,168,458	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(25,521,312)	(26,759,522)	(24,841,878)	(21,943,551)	(17,788,815)	(14,014,206)	(11,168,458)	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll**	\$158,026,700	\$156,488,433	\$152,591,388	\$152,068,960	\$141,405,525	\$130,607,697	\$125,770,927	N/A	N/A	N/A
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.3665%	0.3733%	0.3693%	0.3667%	0.3580%	0.3595%	0.3469%	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$112,445,496	\$108,807,439	\$ 98,461,407	\$ 87,540,013	\$ 70,709,101	\$ 52,997,397	\$ 39,379,678	N/A	N/A	N/A
District's covered payroll**	\$ 53,261,310	\$ 52,247,946	\$ 49,238,021	\$ 47,097,408	\$ 43,354,984	\$ 39,983,840	\$ 36,473,082	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	211.12%	208.25%	199.97%	185.87%	163.09%	132.55%	107.97%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 10,914,929	\$ 10,503,663	\$ 9,437,024	\$ 7,647,157	\$ 6,540,888	\$ 5,136,265	\$ 4,706,498	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(10,914,929)	(10,503,663)	(9,437,024)	(7,647,157)	(6,540,888)	(5,136,265)	(4,706,498)	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
District's covered payroll**	\$ 52,729,126	\$ 53,261,310	\$ 52,247,946	\$ 49,238,021	\$ 47,097,408	\$ 43,354,984	\$ 39,983,840	N/A	N/A	N/A
Contributions as a percentage of covered payroll	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB liability:										
Service cost	\$ 4,318,436	\$ 3,847,278	\$ 2,853,372	\$ 2,953,889	\$ 3,138,563	N/A	N/A	N/A	N/A	N/A
Interest	1,790,338	1,859,676	2,188,955	1,872,800	1,563,808	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	1,272,141	846,650	1,164,376	-	-	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	3,827,539	-	47,586	-	-	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	4,036,080	2,057,498	6,871,166	(1,935,574)	-	N/A	N/A	N/A	N/A	N/A
Benefit payments	(3,007,604)	(2,043,135)	(1,966,958)	(1,638,242)	(1,724,807)	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	12,236,930	6,567,967	11,158,497	1,252,873	2,977,564	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	58,278,188	51,710,221	40,551,724	39,298,851	36,321,287	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 70,515,118</u>	<u>\$ 58,278,188</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>
Plan fiduciary net position:										
Contributions - employer	\$ 1,972,006	\$ 1,136,897	\$ 995,459	\$ 2,599,144	\$ 3,287,739	N/A	N/A	N/A	N/A	N/A
Contributions - employee	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net investment income	4,430,600	586,126	986,073	1,204,287	1,353,456	N/A	N/A	N/A	N/A	N/A
Benefit payments	(3,007,604)	(2,043,135)	(1,966,958)	(1,638,242)	(1,864,078)	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(9,037)	(8,161)	(8,048)	(8,024)	(6,985)	N/A	N/A	N/A	N/A	N/A
Other expenses	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	3,385,965	(328,273)	6,526	2,157,165	2,770,132	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	16,481,681	16,809,954	16,803,428	14,646,263	11,876,131	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending	<u>\$ 19,867,646</u>	<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>
Net OPEB liability	<u>\$ 50,647,472</u>	<u>\$ 41,796,507</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>
Plan fiduciary net position as a percentage of total OPEB liability	28.18%	28.28%	32.51%	41.44%	37.27%					
Covered payroll	206,339,265	207,256,289	201,219,698	184,304,000	184,304,000	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	24.55%	20.17%	17.34%	12.89%	13.38%	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarial determined contributions	\$ 7,988,957	\$ 6,929,075	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(1,972,006)	(1,136,897)	(995,459)	(259,914)	(3,287,739)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ 6,016,951</u>	<u>\$ 5,792,178</u>	<u>\$ (995,459)</u>	<u>\$ (259,914)</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>
District's covered payroll**	206,339,265	207,256,289	201,219,698	184,304,000	184,304,000	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	0.956%	0.549%	0.495%	0.141%	1.784%	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

Notes to Required Supplementary Information
For the Year Ended June 30, 2021

Excess of Expenditures Over Appropriations

As of June 30, 2021, 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	\$ 231,520	The District underestimated certificated employee salary increases.
Employee Benefits	518,598	The District underestimated employee benefit increases.
Books and Supplies	166,283	The District underestimated costs of books and supplies.
Debt Service	102,626	The District did not budget for capital lease payments.
Charter School Fund:		
Certificated Salaries	\$ 223,763	The District underestimated certificated employee salary increases.
Classified Salaries	291,962	The District underestimated classified employee salary increases.
Employee Benefits	155,290	The District underestimated employee benefit increases.
Books and Supplies	151,899	The District underestimated services and other operating expenses.
Other Outgo	16,038	The District did not budget for other outgo in the charter school fund.
Debt Service	65,413	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, 2021

Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: There were no changes to benefits during the periods being reported.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies. Changes in assumptions effective in fiscal year 2020-21 (measured as of June 30, 2020) were to termination rates and service retirement rates based on the experience study for the period July 1, 2015, through June 30, 2018. Changes in assumptions effective in fiscal year 2017-18 (measured as of June 30, 2017) were to price inflation, wage growth, discount rate and mortality tables based on the experience study for the period July 1, 2010, through June 30, 2015.

Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2020, was determined with a valuation completed June 30, 2019 (released in May 2020). 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	June 30, 2018
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.60%	7.60%	7.60%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2019	June 30, 2020	June 30, 2021
Measurement Date	06/30/18	06/30/19	06/30/20
Valuation Date	06/30/17	06/30/18	06/30/19
Experience Study	07/01/06 - 06/30/15	07/01/06 - 06/30/15	07/01/15 - 06/30/18
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	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

(1) – Net of investment expenses but gross of administrative expenses.

CalSTRS uses a generational mortality assumption, which involves the use of 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% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) 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, 2021

Schedule of District's Proportionate Share – CalPERS

1. Benefit Changes: There were no changes to benefits during the periods being reported.
2. Changes in Assumptions. On December 21, 2016, the CalPERS Board lowered the discount rate for funding purposes from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016, actuarial valuations and the June 30, 2017 valuations for the School Pool. The final scheduled decrease from 7.25% to 7.00% for the school pool valuation occurred in the June 30, 2019, valuation. The CalPERS Board adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for the Plan. These new assumptions are incorporated into the June 30, 2018, actuarial valuations.

Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2020, was determined with a valuation completed June 30, 2019. 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	June 30, 2018
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16
Experience Study	07/01/97 - 06/30/11	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	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2019	June 30, 2020	June 30, 2021
Measurement Date	06/30/18	06/30/19	06/30/20
Valuation Date	06/30/17	06/30/18	06/30/19
Experience Study	07/01/97 - 06/30/15	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	7.50%	7.50%	7.15%
Consumer Price Inflation	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	3.00%	2.75%
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.

Chula Vista Elementary School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2021

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

- 1) Benefit Changes: The District made changes to benefit terms consistent with bargaining agreements.
- 2) Changes in Assumptions: Changes in assumptions include updated mortality tables, updated health care trend rates, and changes in discount rates annually
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2017	4.52%
2018	5.16%
2019	3.41%
2020	2.93%
2021	2.31%

Additional information can be obtained by requesting a copy of the OPEB Valuation from the District.

Schedule of District's Contributions to OPEB Plan

The District is funding OPEB contributions on a pay-as-you-go basis through the OPEB Trust administered by CalPERS.

Combining Statements as Supplementary Information

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Funds
Assets				
Cash and Cash Equivalents	\$ 6,158,367	\$ 10,126,574	\$ 22,590,405	\$ 38,875,346
Accounts Receivable	3,427,702	54,566	-	3,482,268
Due from Other Funds	25,818	605,334	-	631,152
Stores Inventories	190,299	-	-	190,299
Total Assets	<u>\$ 9,802,186</u>	<u>\$ 10,786,474</u>	<u>\$ 22,590,405</u>	<u>\$ 43,179,065</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts Payable	\$ 447,098	\$ 1,465,149	\$ -	\$ 1,912,247
Due to Other Funds	123,349	225	-	123,574
Total Liabilities	<u>570,447</u>	<u>1,465,374</u>	<u>-</u>	<u>2,035,821</u>
Fund Balance:				
Nonspendable	190,299	-	-	190,299
Restricted	8,806,488	9,321,100	22,590,405	40,717,993
Assigned	234,952	-	-	234,952
Total Fund Balance	<u>9,231,739</u>	<u>9,321,100</u>	<u>22,590,405</u>	<u>41,143,244</u>
Total Liabilities and Fund Balances	<u>\$ 9,802,186</u>	<u>\$ 10,786,474</u>	<u>\$ 22,590,405</u>	<u>\$ 43,179,065</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$ -	\$ 1,309,367	\$ 21,284,110	\$ 22,593,477
Federal Revenue	14,748,525	-	-	14,748,525
Other State Revenue	9,058,808	20,315,782	-	29,374,590
Interest	22,040	89,244	113,811	225,095
Fair Market Value Adjustment	7,663	42,111	93,941	143,715
Other Local Revenue	82,602	591,266	3,142	677,010
Total Revenues	<u>\$ 23,919,638</u>	<u>\$ 22,347,770</u>	<u>\$ 21,495,004</u>	<u>\$ 67,762,412</u>
Expenditures				
Current Expenditures:				
Instruction	3,431,266	-	-	3,431,266
Instruction - Related Services	840,761	-	-	840,761
Pupil Services	10,154,153	-	-	10,154,153
Ancillary Services	145,300	-	-	145,300
General Administration	330,849	73	-	330,922
Plant Services	25,717	199,647	-	225,364
Capital Outlay	4,031,487	758,685	-	4,790,172
Debt Service:				
Principal	-	-	14,475,000	14,475,000
Interest	-	-	10,548,409	10,548,409
Total Expenditures	<u>18,959,533</u>	<u>958,405</u>	<u>25,023,409</u>	<u>44,941,347</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,960,105</u>	<u>21,389,365</u>	<u>(3,528,405)</u>	<u>22,821,065</u>
Other Financing Sources (Uses):				
Transfers In	-	-	14,288,880	14,288,880
Transfers Out	-	(19,958,160)	-	(19,958,160)
Proceeds from Sale of Bonds	-	-	2,333,926	2,333,926
Total Other Financing Sources (Uses)	<u>-</u>	<u>(19,958,160)</u>	<u>16,622,806</u>	<u>(3,335,354)</u>
Net Change in Fund Balance	4,960,105	1,431,205	13,094,401	19,485,711
Fund Balance, Beginning of Year	<u>4,271,634</u>	<u>7,889,895</u>	<u>9,496,004</u>	<u>21,657,533</u>
Fund Balance, End of Year	<u>\$ 9,231,739</u>	<u>\$ 9,321,100</u>	<u>\$ 22,590,405</u>	<u>\$ 41,143,244</u>

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Special Revenue Funds

June 30, 2021

	Associated Student Body Fund	Child Development Fund	Cafeteria Fund	Pupil Transportation Fund	Total Nonmajor Special Revenue Funds
Assets					
Cash and Cash Equivalents	\$ 740,110	\$ 1,614,855	\$ 3,575,720	\$ 227,682	\$ 6,158,367
Accounts Receivable	1,324	3,514	3,422,309	555	3,427,702
Due from Other Funds	-	25,818	-	-	25,818
Stores Inventories	-	-	190,299	-	190,299
Total Assets	<u>\$ 741,434</u>	<u>\$ 1,644,187</u>	<u>\$ 7,188,328</u>	<u>\$ 228,237</u>	<u>\$ 9,802,186</u>
Liabilities and Fund Balance:					
Liabilities:					
Accounts Payable	\$ 4,877	\$ 398,046	\$ 44,175	\$ -	\$ 447,098
Due to Other Funds	-	123,349	-	-	123,349
Total Liabilities	<u>4,877</u>	<u>521,395</u>	<u>44,175</u>	<u>-</u>	<u>570,447</u>
Fund Balance:					
Nonspendable	-	-	190,299	-	190,299
Restricted	736,557	1,116,077	6,953,854	-	8,806,488
Assigned	-	6,715	-	228,237	234,952
Total Fund Balance	<u>736,557</u>	<u>1,122,792</u>	<u>7,144,153</u>	<u>228,237</u>	<u>9,231,739</u>
Total Liabilities and Fund Balances	<u>\$ 741,434</u>	<u>\$ 1,644,187</u>	<u>\$ 7,188,328</u>	<u>\$ 228,237</u>	<u>\$ 9,802,186</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds June 30, 2021

	Associated Student Body Fund	Child Development Fund	Cafeteria Fund	Pupil Transportation Fund	Total Nonmajor Special Revenue Funds
Revenues					
Federal Revenue	\$ -	\$ 346,185	\$ 14,402,340	\$ -	\$ 14,748,525
Other State Revenue	-	4,501,920	1,260,618	3,296,270	9,058,808
Interest	-	17,807	4	4,229	22,040
Fair Market Value Adjustment	-	6,715	1	947	7,663
Other Local Revenue	53,318	-	29,284	-	82,602
Total Revenues	<u>\$ 53,318</u>	<u>\$ 4,872,627</u>	<u>\$ 15,692,247</u>	<u>\$ 3,301,446</u>	<u>\$ 23,919,638</u>
Expenditures					
Current Expenditures:					
Instruction	-	3,431,266	-	-	3,431,266
Instruction - Related Services	-	840,761	-	-	840,761
Pupil Services	-	107,616	10,043,837	2,700	10,154,153
Ancillary Services	145,300	-	-	-	145,300
General Administration	-	114,950	215,899	-	330,849
Plant Services	-	25,134	583	-	25,717
Capital Outlay	-	-	603,696	3,427,791	4,031,487
Total Expenditures	<u>145,300</u>	<u>4,519,727</u>	<u>10,864,015</u>	<u>3,430,491</u>	<u>18,959,533</u>
Net Change in Fund Balance	(91,982)	352,900	4,828,232	(129,045)	4,960,105
Fund Balance, Beginning of Year	828,539	769,892	2,315,921	357,282	4,271,634
Fund Balance, End of Year	<u>\$ 736,557</u>	<u>\$ 1,122,792</u>	<u>\$ 7,144,153</u>	<u>\$ 228,237</u>	<u>\$ 9,231,739</u>

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Capital Projects Funds

June 30, 2021

	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Capital Projects Funds
Assets			
Cash and Cash Equivalents	\$ 8,658,417	\$ 1,468,157	\$ 10,126,574
Accounts Receivable	52,224	2,342	54,566
Due from Other Funds	605,334	-	605,334
Total Assets	<u>\$ 9,315,975</u>	<u>\$ 1,470,499</u>	<u>\$ 10,786,474</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable	\$ 756	\$ 1,464,393	\$ 1,465,149
Due to Other Funds	225	-	225
Total Liabilities	<u>981</u>	<u>1,464,393</u>	<u>1,465,374</u>
Fund Balance:			
Restricted	<u>9,314,994</u>	<u>6,106</u>	<u>9,321,100</u>
Total Fund Balance	<u>9,314,994</u>	<u>6,106</u>	<u>9,321,100</u>
Total Liabilities and Fund Balances	<u>\$ 9,315,975</u>	<u>\$ 1,470,499</u>	<u>\$ 10,786,474</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Capital Projects Funds
June 30, 2021

	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$ 1,309,367	\$ -	\$ 1,309,367
Other State Revenue	357,622	19,958,160	20,315,782
Interest	89,244	-	89,244
Fair Market Value Adjustment	36,005	6,106	42,111
Other Local Revenue	591,266	-	591,266
Total Revenues	<u>\$ 2,383,504</u>	<u>\$ 19,964,266</u>	<u>\$ 22,347,770</u>
Expenditures			
Current Expenditures:			
General Administration	73	-	73
Plant Services	199,647	-	199,647
Capital Outlay	<u>758,685</u>	<u>-</u>	<u>758,685</u>
Total Expenditures	<u>958,405</u>	<u>-</u>	<u>958,405</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,425,099</u>	<u>19,964,266</u>	<u>21,389,365</u>
Other Financing Sources (Uses):			
Transfers Out	<u>-</u>	<u>(19,958,160)</u>	<u>(19,958,160)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(19,958,160)</u>	<u>(19,958,160)</u>
Net Change in Fund Balance	1,425,099	6,106	1,431,205
Fund Balance, Beginning of Year	<u>7,889,895</u>	<u>-</u>	<u>7,889,895</u>
Fund Balance, End of Year	<u>\$ 9,314,994</u>	<u>\$ 6,106</u>	<u>\$ 9,321,100</u>

Chula Vista Elementary School District

Combining Balance Sheet – Nonmajor Debt Service Funds

June 30, 2021

	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Unit	Total Nonmajor Debt Service Funds
Assets			
Cash and Cash Equivalents	\$ 22,590,405	\$ -	\$ 22,590,405
Total Assets	<u>\$ 22,590,405</u>	<u>\$ -</u>	<u>\$ 22,590,405</u>
Liabilities and Fund Balance:			
Fund Balance:			
Restricted	\$ 22,590,405	\$ -	\$ 22,590,405
Total Fund Balance	<u>22,590,405</u>	<u>-</u>	<u>22,590,405</u>
Total Liabilities and Fund Balances	<u>\$ 22,590,405</u>	<u>\$ -</u>	<u>\$ 22,590,405</u>

Chula Vista Elementary School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Debt Service Funds
June 30, 2021

	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Unit	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$ 21,284,110	\$ -	\$ 21,284,110
Interest	113,811	-	113,811
Fair Market Value Adjustment	93,941	-	93,941
Other Local Revenue	3,142	-	3,142
Total Revenues	<u>\$ 21,495,004</u>	<u>\$ -</u>	<u>\$ 21,495,004</u>
Expenditures			
Debt Service:			
Principal	5,665,000	8,810,000	14,475,000
Interest	<u>5,069,529</u>	<u>5,478,880</u>	<u>10,548,409</u>
Total Expenditures	<u>10,734,529</u>	<u>14,288,880</u>	<u>25,023,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,760,475</u>	<u>(14,288,880)</u>	<u>(3,528,405)</u>
Other Financing Sources (Uses):			
Transfers In	-	14,288,880	14,288,880
Proceeds from Sale of Bonds	<u>2,333,926</u>	<u>-</u>	<u>2,333,926</u>
Total Other Financing Sources (Uses)	<u>2,333,926</u>	<u>14,288,880</u>	<u>16,622,806</u>
Net Change in Fund Balance	13,094,401	-	13,094,401
Fund Balance, Beginning of Year	<u>9,496,004</u>	<u>-</u>	<u>9,496,004</u>
Fund Balance, End of Year	<u>\$ 22,590,405</u>	<u>\$ -</u>	<u>\$ 22,590,405</u>

Other Supplementary Information

Chula Vista Elementary School District

Local Education Agency Organization Structure

June 30, 2021

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>
Eduardo Reyes	President	Four Year Term Expires December 2022
Kate Bishop	Vice President	Four Year Term Expires December 2024
Lucy Ugarte	Clerk	Four Year Term Expires December 2024
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 Instructional Time

Year Ended June 30, 2021

Chula Vista Elementary School District

<u>Grade Level</u>	<u>Minimum Daily Minutes Offered</u>	<u>Instructional Days Offered Traditional Calendar</u>	<u>J-13A Credited Days</u>	<u>Status</u>
Kindergarten	180	180	N/A	Complied
1st Grade	230	180	N/A	Complied
2nd Grade	230	180	N/A	Complied
3rd Grade	230	180	N/A	Complied
4th Grade	240	180	N/A	Complied
5th Grade	240	180	N/A	Complied
6th Grade	240	180	N/A	Complied

Arroyo Vista Charter School

<u>Grade Level</u>	<u>Minimum Daily Minutes Offered</u>	<u>Instructional Days Offered Traditional Calendar</u>	<u>J-13A Credited Days</u>	<u>Status</u>
Kindergarten	180	180	N/A	Complied
1st Grade	230	180	N/A	Complied
2nd Grade	230	180	N/A	Complied
3rd Grade	230	180	N/A	Complied
4th Grade	240	180	N/A	Complied
5th Grade	240	180	N/A	Complied
6th Grade	240	180	N/A	Complied
7th Grade	240	180	N/A	Complied
8th Grade	240	180	N/A	Complied

Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2021

Chula Vista Learning Community Charter School

Grade Level	Minimum Daily Minutes Offered	Instructional Days Offered Traditional Calendar	J-13A Credited Days	Status
Kindergarten	180	180	N/A	Complied
1st Grade	230	180	N/A	Complied
2nd Grade	230	180	N/A	Complied
3rd Grade	230	180	N/A	Complied
4th Grade	240	180	N/A	Complied
5th Grade	240	180	N/A	Complied
6th Grade	240	180	N/A	Complied
7th Grade	240	180	N/A	Complied
8th Grade	240	180	N/A	Complied
9th Grade	240	180	N/A	Complied
10th Grade	240	180	N/A	Complied
11th Grade	240	180	N/A	Complied
12th Grade	240	180	N/A	Complied

Discovery Charter School

Grade Level	Minimum Daily Minutes Offered	Instructional Days Offered Traditional Calendar	J-13A Credited Days	Status
Kindergarten	180	180	N/A	Complied
1st Grade	230	180	N/A	Complied
2nd Grade	230	180	N/A	Complied
3rd Grade	230	180	N/A	Complied
4th Grade	240	180	N/A	Complied
5th Grade	240	180	N/A	Complied
6th Grade	240	180	N/A	Complied
7th Grade	240	180	N/A	Complied
8th Grade	240	180	N/A	Complied

Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2021

Feaster Charter School

Grade Level	Minimum Daily Minutes Offered	Instructional Days Offered Traditional Calendar	J-13A Credited Days	Status
Kindergarten	180	180	N/A	Complied
1st Grade	230	180	N/A	Complied
2nd Grade	230	180	N/A	Complied
3rd Grade	230	180	N/A	Complied
4th Grade	240	180	N/A	Complied
5th Grade	240	180	N/A	Complied
6th Grade	240	180	N/A	Complied
7th Grade	240	180	N/A	Complied
8th Grade	240	180	N/A	Complied

Mueller Charter School

Grade Level	Minimum Daily Minutes Offered	Instructional Days Offered Traditional Calendar	J-13A Credited Days	Status
Kindergarten	180	180	N/A	Complied
1st Grade	230	180	N/A	Complied
2nd Grade	230	180	N/A	Complied
3rd Grade	230	180	N/A	Complied
4th Grade	240	180	N/A	Complied
5th Grade	240	180	N/A	Complied
6th Grade	240	180	N/A	Complied
7th Grade	240	180	N/A	Complied
8th Grade	240	180	N/A	Complied
9th Grade	240	180	N/A	Complied
10th Grade	240	180	N/A	Complied
11th Grade	240	180	N/A	Complied
12th Grade	240	180	N/A	Complied

Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2021

This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

- 1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:
 - To pupils in Kindergarten 36,000 minutes
 - To pupils in grades 1 to 3 50,400 minutes
 - To pupils in grades 4 to 8 54,000 minutes
 - To pupils in grades 9 to 12 64,800 minutes
- 2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:
 - EC §46112: Grades 1 to 3 230 minutes
 - EC §46113: Grades 4 to 8 240 minutes
 - EC §46114: Kindergarten 180 minutes
 - EC §46141: Grades 9 to 12 240 minutes

In addition, this schedule provides the information necessary to determine if the Charter Schools have complied with Education Code §47612 & §47612.5 which require the following:

- 1) EC §47612: As a condition of apportionment 175 school days must be offered for traditional calendar. If a multi-track calendar is utilized, each track must offer 175 school days.
- 2) EC §47612.5: As a condition of apportionment the following annual instructional minutes must be offered:
 - To pupils in Kindergarten 36,000 minutes
 - To pupils in grades 1 to 3 50,400 minutes
 - To pupils in grades 4 to 8 54,000 minutes
 - To pupils in grades 9 to 12 64,800 minutes

Under Senate Bill 98 and Senate Bill 820, annual instructional minutes requirements were waived for the 2020-21 school year. For school districts and classroom-based charter schools, in order for a day to count as a day of instruction towards meeting the annual instructional day requirement, students must be scheduled to attend for the school day established by the local governing board and the school day must be equivalent to at least a minimum day of instruction as follows:

- 180 instructional minutes in TK/Kindergarten, continuation high schools, opportunity schools, and students concurrently enrolled in a community college.
- 230 instructional minutes in grades 1 to 3
- 240 minutes in grades 4 to 12

As a result of the COVID-19 pandemic, the District and Charter Schools operated a portion of the year under distance learning and a portion of the year under in person classroom instruction.

Instructional time for distance learning is calculated based on the time value of synchronous and/or asynchronous instruction and assignments made by and certified by a certificated employee of the LEA. Instructional time for in-person instruction is calculated based on time scheduled under the immediate physical supervision and control of a certificated employee of the LEA.

Chula Vista Elementary School District

Schedule of Financial Trends and Analysis

Year Ended June 30, 2021

<u>General Fund</u>	<u>Budget 2022 (See Note 1)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues and Other Financing Sources	\$ 325,906,419	\$ 324,410,365	\$ 291,545,570	\$ 292,547,709
Expenditures and Other Financing Uses	<u>338,000,148</u>	<u>312,413,509</u>	<u>291,914,255</u>	<u>294,337,361</u>
Net Change in Fund Balance	<u>(12,093,729)</u>	<u>11,996,856</u>	<u>(368,685)</u>	<u>(1,789,652)</u>
Ending Fund Balance	<u>\$ 43,778,932</u>	<u>\$ 55,872,661</u>	<u>\$ 43,875,805</u>	<u>\$ 44,244,490</u>
Available Reserves (See Note 2)	<u>\$ 41,983,870</u>	<u>\$ 41,067,633</u>	<u>\$ 37,130,595</u>	<u>\$ 40,703,663</u>
Available Reserves as a Percentage of Total Outgo	<u>12.42%</u>	<u>13.15%</u>	<u>12.72%</u>	<u>13.83%</u>
Long Term Debt	<u>\$ 354,948,018</u>	<u>\$ 383,068,440</u>	<u>\$ 345,518,300</u>	<u>\$ 273,662,212</u>
Average Daily Attendance at P2 (See Note 3)	<u>28,438</u>	<u>N/A</u>	<u>28,344</u>	<u>28,331</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 increased by \$11,628,171 (26.28%) over the past two years. The fiscal year 2021-22 budget projects a decrease of \$12,093,729 (21.65%). 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 \$109,406,228 over the past two years.

As a result of the COVID-19 pandemic there was no attendance reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

Notes:

1. Budget 2022 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, 2021

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, 2021

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, 2021

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				
Food Service Program	10.559	13006	\$ -	\$ 13,688,544
Food Service Program - Noncash Commodities	10.559	13396	-	324,676
Total Child Nutrition Cluster			-	14,013,220
FISH AND WILDLIFE CLUSTER:				
<u>U.S. Department of the Interior</u>				
Direct Program:				
Wild Life Restoration	15.611	-	-	15,717
Total Fish and Wildlife Cluster			-	15,717
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	5,813,960
IDEA Local Assistance - Private Schools	84.027	10015	20,465	20,465
IDEA Mental Health	84.027	13430	-	331,490
IDEA Preschool Grants	84.173	15197	-	264,612
IDEA Preschool Staff Development	84.173	13431	-	2,501
Total Special Education (IDEA) Cluster			20,465	6,433,028
OTHER PROGRAMS:				
<u>U.S. Department of Defence</u>				
Direct Program				
Military Connected Academic Support Program	12.556	-	-	100,290
<u>U.S. Department of Education</u>				
Direct Program:				
Impact Aid	84.041	-	-	1,232,752
Passed through California Department of Education				
Title I	84.010	14329	31,803	7,072,642
Title III English Learner Student Program	84.365	14346	13,491	861,058
Title II Supporting Effective Instruction	84.367	14341	52,674	773,774
Title IV Student Support Academic Enrichment	84.424	15396	55,828	540,650
COVID CARES Act Supplemental Meal Replacement	84.425	15535	-	389,120
Governor's Emergency Education Relief Fund	84.425C	15517	5,852	1,781,938
CARES Act - Elementary & Secondary School Emergency Relief	84.425D	15536	14,950	5,208,770
CARES Act - Elementary & Secondary School Emergency Relief II	84.425D	15547	-	4,074,431
<u>U.S. Department of Treasury</u>				
Passed through California Department of Education				
Coronavirus Relief Fund - Learning Loss Mitigation	21.019	25516	-	18,102,221
Total Other Programs			174,598	40,137,646
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 195,063	\$ 60,599,611

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, 2021

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 3.39% 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>
Child Nutrition Cluster	10.559	2.26%

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	\$ 7,072,642

Chula Vista Elementary School District

Notes to the Schedule of Expenditures of Federal Awards, Continued

Year Ended June 30, 2021

Personal Protective Equipment (PPE) (Unaudited)

As a result of the COVID-19 Pandemic the District received personal protective equipment (PPE) valued at \$642,439 from the federal government.

Reconciliation of Revenues

The District is permitted to bill for Medi-Cal administrative activities and services provided as a Provider Type 55 (LEA Provider) which under the provisions of 2CFR §200.330 distinguishes the District as a contractor rather than a subrecipient of the federal funds. As such, the program has not been included in the schedule of expenditures of federal awards.

Under grant provisions for CARES Act – Elementary & Secondary School Emergency Relief (CFDA #84.425D) expenditures for the program could begin March 2020; however, revenue was not apportioned until the 2020-21 fiscal year. As a result, the revenue is recognized for expenditures occurring from the start of the grant through June 30, 2021, while the schedule of expenditures of federal awards recognizes only expenditures incurred during the 2020-21 fiscal year.

The District received a one time stipend for Child Development Coronavirus Relief Supplement (CFDA #93.575) for which the District did not incur any expenditures during the 2020-21 fiscal year resulting in a timing difference between revenue recognition and expenditure of the funds.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards:

Total Federal Revenues on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 62,024,121
Less: Amounts representing Medi-Cal	(1,044,822)
Less: Amounts expended in 2019-20 for Elementary & Secondary School Emergency Relief	(33,503)
Less: Amounts representing Coronavirus Relief Supplement	<u>(346,185)</u>
Total Federal Expenditures on Schedule of Expenditures of Federal Awards	<u>\$ 60,599,611</u>

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, 2021, 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 January 31, 2022.

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. However, material weaknesses may exist that have not been identified.

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*.

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
January 31, 2022

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, 2021. 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, 2021.

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
January 31, 2022

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 *2020-21 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, 2021.

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 *2020-21 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 *2020-21 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:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools	
A. Attendance and Distance Learning.....	Yes
B. Teacher Certification and Misassignments.....	Yes
C. Kindergarten Continuance.....	Yes
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
O. K-3 Grade Span Adjustment.....	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
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
Charter Schools	
Y. Independent Study - Course Based.....	N/A
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
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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the statutory requirements for programs noted above, which are required to be reported in accordance with the States audit guide, *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

Chula Vista Elementary School District's Response to Findings

Chula Vista Elementary School District's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Chula Vista Elementary School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 *2020-21 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
January 31, 2022

Auditor's Results, Findings & Recommendations

Chula Vista Elementary School District

Schedule of Auditor's Results

Year Ended June 30, 2021

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)? Yes X 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 July 2021 with
December 2021 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>
21.029	Coronavirus Relief Fund - Learning Loss Mitigation
84.027, 84.173	Special Education Cluster
84.041	Impact Aid
84.425	COVID CARES Act Supplemental Meal Replacement
84.425C	Governor's Emergency Education Relief Fund
84.425D	CARES Act - Elementary & Secondary School Emergency Relief
84.425D	CARES Act - Elementary & Secondary School Emergency Relief II

Dollar threshold used to distinguish between Type A and Type B programs \$1,817,988

Auditee qualified as low-risk auditee? X Yes No

STATE AWARDS

Any audit findings disclosed that are required to be reported in accordance with *2020-21 Guide for Annual Audits of California K-12 Local Education Agencies*? X Yes 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, 2021

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 *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2020-21 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

None

B. Federal Awards

None

C. State Award Findings

Finding Number: 2021-001
Repeat Finding: No
Program Name: LCFF Unduplicated Pupil Counts
Questioned Costs: \$232,103 reduction in supplemental and concentration grants
Type of Finding: State Compliance – Other (40000)

Criteria or Specific Requirement

Verify that students reported as free or reduced priced meal eligible on the form “1.18-FRPM/English Learner/Foster Youth – Student List” is supported by documentation that indicated the student was eligible for the designation such as Free and Reduced Price Meal (FRPM) eligibility application under a federal nutrition program, an alternative household income data collections form that indicates the student was eligible for the designation, or a direct certification list obtained from the County Welfare Department or County Office of Education that matches enrolled students against those children/households receiving CalFresh (or CalWORKS) benefits.

Chula Vista Elementary School District
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2021

Condition

In our review of eligibility of students reported for unduplicated pupil counts, we identified six instances out of one hundred ninety-three tested that did not meet the eligibility requirements. Four students were counted as eligible for FRPM but did not return an FRPM application during the 2020-21 fiscal year. One student returned an FRPM application but it was after the deadline to be included in unduplicated pupil counts. Finally, one student returned an FRPM application but was determined ineligible by the child nutrition department.

Cause

The data provided by the child nutrition department for students eligible for FRPM included students that were receiving free or reduced lunches in the prior year. The data in the CalPADs system appears to be a roll-over of the prior year that was not completely updated prior to recertification of eligibility for unduplicated pupil counts.

Effect

Unduplicated pupil counts were overstated for students that did not meet eligibility requirements in the FRPM category. This resulted in overfunding of the supplemental and concentration grants in the local control funding formula.

Audit adjustments to the count are as follows:

	Funded Under LCFF	Audit Adjustments	Adjusted Counts
Total Enrollment	22,470	-	22,470
Free/Reduced Price Meal Program (FRPM)	3,850	(121)	3,729
English Learner (ELAS)	2,178	-	2,178
Both FRPM & ELAS	2,354	-	2,354
Other Funded (Direct Certification, etc.)	4,746	-	4,746
Total Unduplicated Pupil Count	<u>13,128</u>	<u>(121)</u>	<u>13,007</u>

The adjustments, and therefore questioned costs, were determined by an extrapolation of the impact error.

Context

Supplemental and concentration grant amounts are calculated based on the percentage of “unduplicated pupils” enrolled in the LEA on Census Day (first Wednesday in October) as certified for Fall 1. The percentage equals:

- Unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. “Unduplicated count” means that each pupil is counted only once even if the pupil meets more than one of these criteria (*EC* sections 2574(b)(2) and 42238.02(b)(1)).
- Divided by total enrollment in the LEA (*EC* sections 2574(b)(1) and 42238.02(b)(5)).

Chula Vista Elementary School District

Schedule of Findings and Questioned Costs, Continued

Year Ended June 30, 2021

Recommendation

Establish a procedure to ensure that the reporting of unduplicated pupil counts is based on the students who meet current year eligibility requirements for the FRPM program. Include in new procedures a verification of items reported on the form “1.18-FRPM/English Learner/Foster Youth – Student List” to the child nutrition system.

Views of Responsible Officials

See Corrective Action Plan



CHULA VISTA ELEMENTARY SCHOOL DISTRICT

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

EACH CHILD IS AN INDIVIDUAL OF GREAT WORTH

January 31, 2022

To whom it may concern:

The accompanying Corrective Action Plan has been prepared as required by the 2020-21 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, appearing to read "Oscar Esquivel", is written over the printed name.

Oscar Esquivel
Chula Vista Elementary School District
Interim Superintendent

BOARD OF EDUCATION

KATE BISHOP ♦ LESLIE RAY BUNKER ♦ CESAR T. FERNANDEZ ♦ FRANCISCO TAMAYO ♦ LUCY UGARTE

INTERIM SUPERINTENDENT
OSCAR ESQUIVEL

Chula Vista Elementary School District

Corrective Action Plan

Year Ended June 30, 2021

State Compliance Findings

Finding Number: 2021-001
Program Name: Unduplicated Pupil Counts
Contact Person: Maria Theresa Villanueva
Completion Date: 06/30/2022

Planned Corrective Action: Starting in 2021-22, the District implemented additional procedures to verify students reported as free or reduced priced meal eligible on the form “1.18-FRPM/English Learner/Foster Youth – Student List”. The District will be matching the student list to ensure that the free and reduced eligibility documentation is accurate and current.

Chula Vista Elementary School District

Schedule of Prior Year Audit Findings

Year Ended June 30, 2021

Finding/Recommendation	Status	Explanation if Not Implemented
Finding 2020-001 Associated Student Body Deposits <u>Condition:</u> 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. <u>Recommendation:</u> 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.	Implemented	