



# Chula Vista Elementary School District

County of San Diego  
Chula Vista, California

Audit Report

June 30, 2023



WILKINSON HADLEY  
KING & CO. LLP  
CPAs AND ADVISORS

# Chula Vista Elementary School District

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June 30, 2023

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## Independent Auditor's Report

To the Board of Education  
Chula Vista Elementary School District

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chula Vista Elementary School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, 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.

#### Basis for Opinions

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

#### Change in Accounting Principle

As described in Note A to the financial statements, in the fiscal year ended June 30, 2023, the District adopted new accounting guidance, *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 basic financial statements.

The accompanying combining financial statements and additional supplementary information, identified in the table of contents, as required by the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are 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 December 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.



El Cajon, California  
December 15, 2023

**CHULA VISTA ELEMENTARY SCHOOL DISTRICT**  
Management Discussion and Analysis  
for the Fiscal Year Ended June 30, 2023  
(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, 2023. 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 2022-23, the District's net position was \$201,515,345 an increase of \$142.8 million from the previous year. The District's net position in 2021-22 was \$58,701,867.
- Overall revenues were \$653,631,985 with overall expenditures at \$510,818,506.
- Total District annual average daily attendance (ADA), including 5 dependent charters, increased by 501 ADA from 26,142 to 26,643. The 5 charters increased by 23 ADA and the District schools increased by 478 ADA.
- In 2022-23, there were seven charter schools in the District with approximately 6,356 ADA. Five charter schools—Arroyo Vista, Chula Vista Learning Community, Discovery, Feaster, and Mueller—are included in the District's audit with 5,733 ADA. The sixth charter – Leonardo da Vinci Health Sciences with 235 ADA began operations in 2009-10 as a K-6 charter school organized under the Nonprofit Public Benefit Corporation Law. The seventh charter—Learning Choice Academy with 388 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, 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, 2023**  
**(Unaudited)**

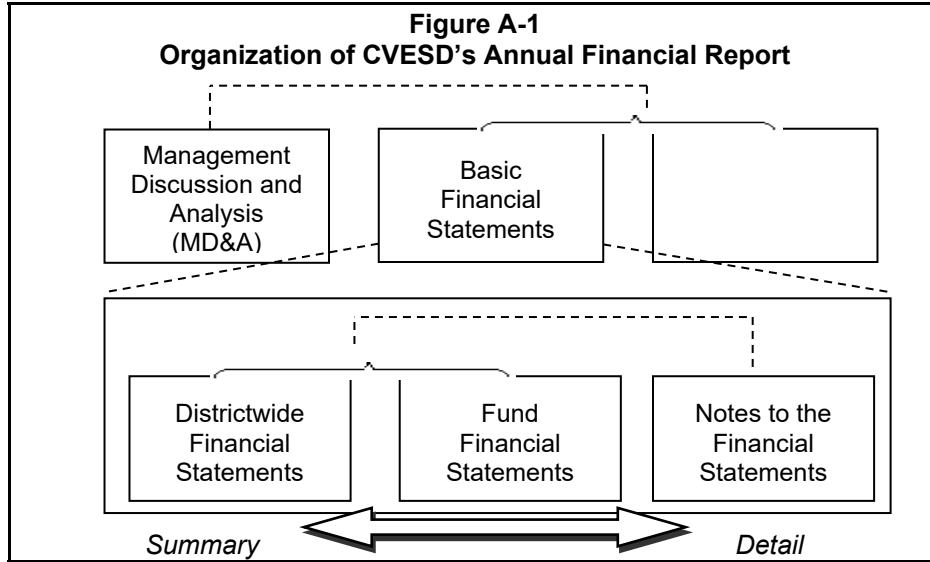


Figure A-2 summarizes the major features of the District's financial statements including the portion of the District's activities they cover and the types of information they contain.

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>	<b>Districtwide</b>	<b>Fund Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<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, 2023  
(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 the OPEB Trust Fund, 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, 2023**  
**(Unaudited)**

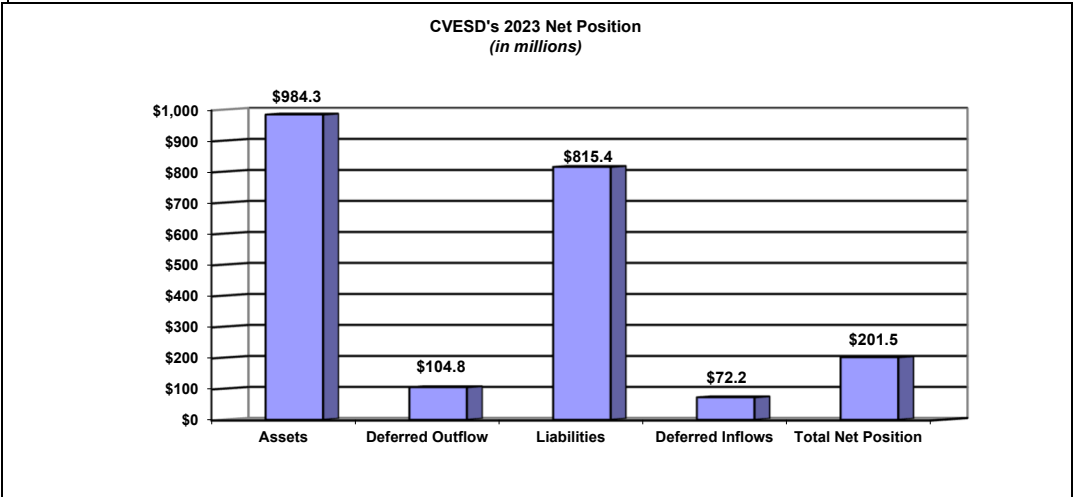
fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These fiduciary funds are excluded from the District wide financial statements because the District cannot use assets in these funds to finance its operations. The District currently reports one fiduciary fund which is the OPEB Trust Fund.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**  
**Net Position**

The District's combined net position of \$201,015,108 increased by \$142,813,478 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)
	<u>2023</u>	<u>2022</u>	
Current and Other Assets	\$467.0	\$358.1	30%
Capital Assets	<u>517.3</u>	<u>494.2</u>	5%
<b>Total Assets</b>	<b>\$984.3</b>	<b>\$852.3</b>	<b>15.5%</b>
<b>Deferred Outflows of Resources</b>	<b>\$104.8</b>	<b>\$91.2</b>	<b>15%</b>
Long-Term Debt Outstanding	747.8	675.6	11%
Other Liabilities	<u>67.6</u>	<u>30.3</u>	123%
<b>Total Liabilities</b>	<b>\$815.4</b>	<b>\$705.9</b>	<b>16%</b>
<b>Deferred Inflows of Resources</b>	<b>\$72.2</b>	<b>\$178.9</b>	<b>(60%)</b>
Net Position			
Invested in Capital Assets Net of Related Debt	122.0	105.5	16%
Restricted	281.0	234.4	20%
Unrestricted	<u>(201.5)</u>	<u>(281.2)</u>	(28%)
<b>Total Net Position</b>	<b>\$201.5</b>	<b>\$58.7</b>	



**CHULA VISTA ELEMENTARY SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**for the Fiscal Year Ended June 30, 2023**  
**(Unaudited)**

The District's increased financial position, resulting in an increase in net position of approximately \$142.8 million is the product of several factors.

- Current assets increased by approximately \$108.9 million primarily due to the increase of \$78.9 million in cash and \$28.4 million increase in receivables.
- Capital assets increased by approximately \$23.1 million primarily due to the Sotomayor Elementary project which is scheduled to open in July 2024 and the Transitional Kindergarten Expansion projects.
- Total Liabilities increased by approximately \$109.5 million primarily due to the \$37.3 increase in the current liabilities and \$72.3 million increase in long term liabilities mainly from the District's net pension liability issuance.
- Deferred Outflow of resources increased by \$13.6 million while deferred inflow of resources decreased by <\$106.7> 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 decreased by approximately 37 percent to \$653,631,985 (see Table A-2). General revenues increased by approximately \$52.1 million due to increased Federal and State Aid Not Restricted for Specific Purposes, Interest and Investment Earnings while program revenues increased by \$124 million. Approximately 58 percent of the total revenue represents property taxes and state/federal formula aid not restricted for specific purposes, 39 percent was received as state and federal aid for specific operating grants, and the remainder represents miscellaneous revenues and charges for services.

<b>Table A-2</b>			
<b>Change in CVESD's Net Position</b>			
<b>Year Ended June 30,</b>			
<b>(in millions)</b>			
	Governmental Activities		Percentage
	2023	2022	Increase (Decrease)
<b>Revenues</b>			
General Revenues	\$ 396.5	\$ 344.4	15%
Program Revenues	<u>257.1</u>	<u>133.1</u>	93%
<b>Total Revenues</b>	<b>\$ 653.6</b>	<b>\$ 477.5</b>	<b>37%</b>
<b>Expenses</b>			
Instruction/Instruction Related	\$ 360.7	\$ 292.7	23%
Pupil Services	66.4	52.1	27%
General Administration	72.6	62.1	17%
Other Outgo	<u>11.1</u>	<u>12.2</u>	<9%>
<b>Total Expenses</b>	<b>\$ 510.8</b>	<b>\$ 419.1</b>	<b>22%</b>
<b>Increase (Decrease)</b>	<b>\$ 142.8</b>	<b>\$ 58.4</b>	

The total cost of all programs increased by \$91.7 million or 22 percent to \$510.8 million. 84 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 3.86 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, 2023**  
**(Unaudited)**

In 2023, total revenues exceeded expenses by approximately \$142.8 million. In 2022, total revenues exceeded expenses by approximately \$58.4 million.

**Governmental Activities**

Revenues from the District's governmental activities increased by approximately 37 percent, while total expenses increased by approximately 22 percent. Total government revenues were \$653,631,985 (see Table A-3) while government expenditures were \$510,818,506 (see Table A-4).

<b>Table A-3</b>					
<b>Revenue for Governmental Activities</b>					
<b>Year Ended June 30,</b>					
<b>(in millions)</b>					
	<u>2023</u>	<u>Percentage</u>	<u>2022</u>	<u>Percentage</u>	<u>Increase (Decrease)</u>
Program Revenues	\$257.1	39%	\$133.1	28%	\$ 124.0
General Revenues	<u>396.5</u>	61%	<u>344.4</u>	72%	<u>52.1</u>
<b>Total</b>	<b>\$ 653.6</b>		<b>\$ 477.5</b>		<b>\$ 176.1</b>

Property taxes and federal and state aid represent over 96 percent of general revenues with the remaining 4 percent of general revenues consisting of interest earnings, other agency transfers, and miscellaneous income. Program revenues consist of 98 percent from federal, state, and local operating grants and contributions and 2 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).

<b>Table A-4</b>						
<b>Expenditures for Governmental Activities</b>						
<b>Year Ended June 30,</b>						
<b>(in millions)</b>						
<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>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Instruction	\$ 316.6	\$ 256.6	23%	\$176.7	\$177.1	0%
Instruction Related	44.1	36.1	22%	19.6	29.5	<34%>
Pupil Services	66.4	52.1	27%	19.7	15.9	24%
General Administration	19.7	15.7	25%	14.4	12.5	15%
Plant Services	52.9	46.4	14%	12.7	39.4	<68%>
Other	<u>11.1</u>	<u>12.2</u>	<u>&lt;9%&gt;</u>	<u>10.5</u>	<u>11.7</u>	<u>&lt;10%&gt;</u>
<b>Total</b>	<b>\$ 510.8</b>	<b>\$ 419.1</b>	<b>22%</b>	<b>\$253.6</b>	<b>\$ 286.1</b>	<b>&lt;11%&gt;</b>

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 \$510.8 million, an increase of 22 percent.
- Net costs of services were \$253.6 million, representing a decrease of <11> percent.
- Most of the District's net costs of \$253.6 million are paid from taxes levied for general purposes (\$179.7 million) and federal and state aid not restricted for specific purposes (\$199.3 million).

**CHULA VISTA ELEMENTARY SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**for the Fiscal Year Ended June 30, 2023**  
**(Unaudited)**

- Specific administrative costs, such as data processing and other general and administrative costs is representing 3.86 percent of all expenditure.

**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 \$380.8 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.

<b>Table A-5</b>			
<b>Budget to Actual Variances</b>			
<b>Year Ended June 30, 2023</b>			
<i>(in millions)</i>			
	Adopted Budget	Year-End Budget	Actuals
Total Revenues	\$361.4	\$421.9	\$430.6
Total Expenditures	(372.0)	(369.1)	(356.7)
Total Other Sources/Uses	0.2	0.2	0.1
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>&lt;\$10.4&gt;</b>	<b>\$53.0</b>	<b>\$74.0</b>

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 \$60.5 million and was due primarily to the increase in state revenues.
- The net decrease in total expenditure from the adopted budget to the year-end estimated budget of <\$2.8> million was due mostly to the salaries and benefits, and services, which was partially offset by an increase in supplies and capital outlay.

A comparison of the District’s 2022-23 year-end actuals general fund ending balance and the year-end estimated fund balance showed a \$20.9 million increase in the ending fund balance. The major factor that led to the increase is noted below.

- An increase in total revenues pf \$8.7 million due mostly on increase in state revenues.
- A decrease in total expenditures of <\$12.4> million due mostly decreases in salaries and benefits, supplies and operating services.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of June 30, 2023, the District had invested \$839.3 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, 2023**  
**(Unaudited)**

<b>Table A-6</b>			
<b>CVESD Capital Assets</b>			
<b>June 30,</b>			
<b>(net of depreciation, in millions)</b>			
	<u>Governmental Activities</u>		<u>Percentage Increase (Decrease)</u>
	<u>2023</u>	<u>2022</u>	
Land	\$ 51.4	\$ 40.3	27%
Construction in Progress	57.7	94.6	(39%)
Site Improvement	8.7	8.5	2%
Buildings	384.8	335.3	15%
Equipment and Furniture	6.8	6.6	3%
Leased Assets	<u>7.9</u>	<u>8.9</u>	<u>(16%)</u>
<b>Total</b>	<b>\$ 517.3</b>	<b>\$ 494.2</b>	<b>5%</b>

The \$517.3 million in net capital assets at June 30, 2023, represents an increase of approximately \$23.1 million or 5 percent from last year (see Table A-6). Total depreciation increased by \$19.9 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 \$747.8 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 \$72.2 million from last year. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

<b>Table A-7</b>			
<b>CVESD Outstanding Long-Term Debt</b>			
<b>June 30,</b>			
<b>(in millions)</b>			
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
General Obligation Bonds	\$ 196.6	\$214.3	(\$17.7)
Certificates of Participation	190.7	51.7	(13.2)
Capital Lease	7.9	8.9	(1.0)
Net Pension Liability	307.2	197.5	109.7
Net Other Post-Employment Benefits Obligation	43.6	49.3	(5.7)
Other	<u>1.8</u>	<u>1.7</u>	<u>0.1</u>
<b>Total</b>	<b>\$ 747.8</b>	<b>\$ 675.6</b>	<b>\$72.2</b>

- The net position liability represents the District's proportionate share of CalSTRS and CalPERS liabilities. In 2022-23, the net pension liability increased by \$109.7 million.
- Governmental Accounting Standards Board (GASB) Statement 87 requires the District to recognize lease assets and liabilities that exceed 12 months in length. In 2022-23 the capital lease decreased by <\$1> million.

**CHULA VISTA ELEMENTARY SCHOOL DISTRICT**  
Management Discussion and Analysis  
for the Fiscal Year Ended June 30, 2023  
(Unaudited)

- Bond rating information. The District maintains an “A+” rating from Standard & Poor’s for the COPs issuance that closed in December 8, 2021. The District maintains an “AA-“ rating from Standard & Poor’s for the 2020 General Obligation Bond Series A 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 0.586 percent as of June 30, 2023.

**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 slowing or lower state revenues, and economic recovery.
- The positive impact of Provision 2 Meal Status to the District’s Unduplicated Count and Percentage.
- 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 Deputy Superintendent  
Chula Vista Elementary School District  
84 East "J" Street  
Chula Vista, CA 91910

## Basic Financial Statements



# Chula Vista Elementary School District

## Statement of Net Position

June 30, 2023

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash Equivalents	\$ 392,506,388
Accounts Receivable	62,724,332
Inventory	1,442,385
Prepaid Expenses	102,740
Lease Receivable	9,950,825
Capital Assets:	
Land	51,387,609
Land Improvements	19,451,427
Buildings & Improvements	673,736,159
Equipment	24,295,962
Work in Progress	57,722,971
Less Accumulated Depreciation	(317,220,968)
Lease Assets:	
Facilities	11,960,321
Equipment	786,442
Less Accumulated Amortization	(4,834,676)
Total Assets	<u>984,011,917</u>
<b>Deferred Outflows of Resources</b>	<u>105,123,834</u>
<b>Liabilities</b>	
Accounts Payable and Other Current Liabilities	59,779,541
Unearned Revenue	7,834,409
Long-Term Liabilities:	
Due Within One Year	96,077,087
Due In More Than One Year	651,748,760
Total Liabilities	<u>815,439,797</u>
<b>Deferred Inflows of Resources</b>	<u>72,180,609</u>
<b>Net Position</b>	
Net Investment in Capital Assets	122,015,610
Restricted For:	
Capital Projects	137,589,078
Debt Service	20,004,414
Educational Programs	95,655,443
Other Purposes (Expendable)	26,022,706
Other Purposes (Nonexpendable)	1,690,124
Unrestricted	(201,462,030)
Total Net Position	<u><u>\$ 201,515,345</u></u>

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

# Chula Vista Elementary School District

## Statement of Activities

For the Year Ended June 30, 2023

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental Activities</b>					<b>Governmental Activities</b>
Instruction	\$ 316,575,218	\$ 96,483	\$ 139,824,933	\$ -	\$ (176,653,802)
Instruction-Related Services:					
Instructional Supervision and Administration	10,150,320	251,941	6,822,197	-	(3,076,182)
Instructional Library, Media and Technology	5,629,680	61,494	1,227,076	-	(4,341,110)
School Site Administration	28,301,463	11,508	16,098,193	-	(12,191,762)
Pupil Services:					
Home-to-School Transportation	8,944,362	397,585	3,947,027	-	(4,599,750)
Food Services	16,789,014	378,411	23,512,885	-	7,102,282
All Other Pupil Services	40,713,927	412,703	18,137,168	-	(22,164,056)
General Administration:					
Centralized Data Processing	3,858,694	-	508,244	-	(3,350,450)
All Other General Administration	15,871,481	11,144	4,808,077	-	(11,052,260)
Plant Services	44,276,113	6,620	7,813,526	-	(36,455,967)
Ancillary Services	6,630,705	3,455,488	25,299,882	-	22,124,665
Community Services	835,323	350,518	3,143,221	-	2,658,416
Enterprise Activities	1,146,324	-	-	-	(1,146,324)
Interest on Long-Term Debt	9,602,828	-	-	-	(9,602,828)
Debt Issuance Costs	1,493,054	-	-	-	(1,493,054)
Transfers Between Agencies	-	-	572,866	-	572,866
Total Governmental Activities	<u>\$ 510,818,506</u>	<u>\$ 5,433,895</u>	<u>\$ 251,715,295</u>	<u>\$ -</u>	<u>(253,669,316)</u>

### General Revenues

#### Taxes and Subventions:

Property Taxes, Levied for General Purposes	\$ 130,687,133
Property Taxes, Levied for Debt Service	19,318,924
Property Taxes, Levied for Other Specific Purposes	22,150,676
Federal and State Aid Not Restricted for Specific Purposes	206,671,125
Interest and Investment Earnings	1,912,905
Interagency Revenues	12,481,096
Miscellaneous	3,260,936
Total General Revenues	<u>396,482,795</u>

Change in Net Position 142,813,479

Net Position - Beginning of Year 58,701,866

Net Position - Ending \$ 201,515,345

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, 2023

	General Fund	Charter School Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash and Cash Equivalents	\$ 154,823,209	\$ 44,616,246	\$ 97,805,772	\$ 82,707,743	\$ 379,952,970
Accounts Receivable	42,735,527	10,968,655	292,317	8,688,826	62,685,325
Due from Other Funds	1,816,476	4,614,947	32,564	2,105,730	8,569,717
Leases Receivable	9,950,825	-	-	-	9,950,825
Stores Inventories	1,219,936	-	-	222,449	1,442,385
Prepaid Expenditures	5,250	97,490	-	-	102,740
<b>Total Assets</b>	<b>\$ 210,551,223</b>	<b>\$ 60,297,338</b>	<b>\$ 98,130,653</b>	<b>\$ 93,724,748</b>	<b>\$ 462,703,962</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>					
Liabilities:					
Accounts Payable	\$ 40,141,770	\$ 8,399,720	\$ 2,755,733	\$ 4,358,969	\$ 55,656,192
Due to Other Funds	5,806,552	1,174,584	141,395	1,385,057	8,507,588
Unearned Revenue	3,914,601	2,431,537	-	1,488,270	7,834,408
Total Liabilities	49,862,923	12,005,841	2,897,128	7,232,296	71,998,188
Deferred Inflows of Resources:					
Deferred Rent Income	9,950,703	-	-	-	9,950,703
Fund Balance:					
Nonspendable	1,360,186	107,489	-	222,448	1,690,123
Restricted	77,030,313	20,737,799	95,233,525	86,270,004	279,271,641
Committed	39,469,882	-	-	-	39,469,882
Assigned	231,266	27,446,209	-	-	27,677,475
Unassigned	32,645,950	-	-	-	32,645,950
Total Fund Balance	150,737,597	48,291,497	95,233,525	86,492,452	380,755,071
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 210,551,223</b>	<b>\$ 60,297,338</b>	<b>\$ 98,130,653</b>	<b>\$ 93,724,748</b>	<b>\$ 462,703,962</b>

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, 2023

**Total fund balances governmental funds:** \$ 380,755,071

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, lease assets, accumulated depreciation, and accumulated amortization.

Capital assets relating to governmental activities, at historical cost	826,594,128	
Accumulated depreciation	<u>(317,220,968)</u>	
	Net	509,373,160
Lease assets relating to governmental activities, at historical cost	12,746,763	
Accumulated amortization	<u>(4,834,676)</u>	
	Net	7,912,087

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: 297,149

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: (4,119,252)

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	196,602,452	
Certificates of participation payable	190,755,097	
Leases payable	7,908,790	
Net pension liability	307,202,302	
Net OPEB liability	43,589,766	
Compensated absences	<u>1,767,440</u>	
	Total	(747,825,847)

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, 2023

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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:

3,162,746

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	91,633,996
Deferred inflows of resources relating to pensions	<u>(44,256,662)</u>

Net

47,377,334

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	10,018,957
Deferred inflows of resources relating to OPEB	<u>(17,962,257)</u>

Net

(7,943,300)

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:

12,526,197

**Total net position governmental activities:**

\$ 201,515,345

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, 2023

	General Fund	Charter School Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
<b>Revenues</b>					
State Apportionment	\$ 110,499,843	\$ 31,612,667	\$ -	\$ -	\$ 142,112,510
Education Protection Account Funds	35,273,977	11,489,219	-	-	46,763,196
Property Taxes	104,608,158	26,078,975	22,150,676	19,318,924	172,156,733
Federal Revenue	42,633,871	8,417,059	-	13,070,462	64,121,392
Other State Revenue	91,670,484	26,174,119	-	18,843,859	136,688,462
Interest	2,049,418	709,444	1,318,587	1,240,094	5,317,543
Fair Market Value Adjustment	(2,561,540)	(574,194)	(129,650)	(139,254)	(3,404,638)
Other Local Revenue	46,408,376	652,393	-	4,331,984	51,392,753
Total Revenues	<u>\$ 430,582,587</u>	<u>\$ 104,559,682</u>	<u>\$ 23,339,613</u>	<u>\$ 56,666,069</u>	<u>\$ 615,147,951</u>
<b>Expenditures</b>					
Current Expenditures:					
Instruction	231,364,925	49,743,524	-	3,924,433	285,032,882
Instruction - Related Services	30,543,512	10,435,308	-	761,485	41,740,305
Pupil Services	43,252,077	3,597,735	-	16,206,073	63,055,885
Ancillary Services	5,108,267	281,752	-	1,234,418	6,624,437
Community Services	812,943	-	-	-	812,943
Enterprise Activities	62,840	-	-	-	62,840
General Administration	18,225,587	-	-	552,046	18,777,633
Plant Services	24,314,669	15,906,629	1,136,540	418,686	41,776,524
Transfers Between Agencies	1,479,495	-	-	-	1,479,495
Capital Outlay	1,466,854	257,882	32,458,020	8,943,841	43,126,597
Debt Service:					
Principal	115,857	967,294	-	29,722,000	30,805,151
Interest	1,848	122,531	-	10,712,863	10,837,242
Total Expenditures	<u>356,748,874</u>	<u>81,312,655</u>	<u>33,594,560</u>	<u>72,475,845</u>	<u>544,131,934</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>73,833,713</u>	<u>23,247,027</u>	<u>(10,254,947)</u>	<u>(15,809,776)</u>	<u>71,016,017</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	-	-	-	19,297,905	19,297,905
Transfers Out	-	(581,855)	(17,641,767)	(1,074,283)	(19,297,905)
Proceeds from Leases	127,338	-	-	-	127,338
Total Other Financing Sources (Uses)	<u>127,338</u>	<u>(581,855)</u>	<u>(17,641,767)</u>	<u>18,223,622</u>	<u>127,338</u>
Net Change in Fund Balance	73,961,051	22,665,172	(27,896,714)	2,413,846	71,143,355
Fund Balance, Beginning of Year	76,776,546	25,626,325	123,130,239	84,078,606	309,611,716
Fund Balance, End of Year	<u>\$ 150,737,597</u>	<u>\$ 48,291,497</u>	<u>\$ 95,233,525</u>	<u>\$ 86,492,452</u>	<u>\$ 380,755,071</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, 2023

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**Total change in fund balances governmental funds:** \$ 71,189,856

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 or amortization expense. The difference between capital outlay expenditures and depreciation or amortization expense for the period is:

Expenditures for capital outlay	43,126,597	
Depreciation expense	(19,009,346)	
Amortization expense	<u>(1,042,303)</u>	
	Net	23,074,948

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: (1,827)

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: 30,805,151

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: (13,559)

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: (127,338)

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: (514,917)

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, 2023

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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: (67,243)

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: 21,915,585

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: (4,113,025)

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: 1,749,332

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: (1,083,484)

**Change in net position of governmental activities:** \$142,813,479

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, 2023

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	Internal Service Fund
	<u>Self-Insurance Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 12,553,418
Accounts Receivable	<u>39,007</u>
Total Assets	<u>12,592,425</u>
<b>Liabilities</b>	
Accounts Payable	4,100
Due to Other Funds	<u>62,128</u>
Total Liabilities	<u>66,228</u>
<b>Net Position</b>	
Unrestricted	<u>12,526,197</u>
Total Net Position	<u>\$ 12,526,197</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, 2023

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	<u>Internal Service Fund</u>
	<u>Self-Insurance Fund</u>
<b>Operating Revenues</b>	
In-District Premiums/Contributions	<u>\$ 2,604,269</u>
Total Operating Revenues	<u>2,604,269</u>
<b>Operating Expenses</b>	
Professional Consulting Services	<u>3,975,412</u>
Total Operating Expenses	<u>3,975,412</u>
Operating Income (Loss)	<u>(1,371,143)</u>
<b>Non-Operating Revenues/(Expenses)</b>	
Interest Income	284,454
Fair Market Value Adjustment	<u>3,205</u>
Total Nonoperating Revenues/(Expenses)	<u>287,659</u>
<b>Change in Net Position</b>	(1,083,484)
<b>Total Net Position - Beginning</b>	<u>13,609,681</u>
<b>Total Net Position - Ending</b>	<u><u>\$ 12,526,197</u></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, 2023

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	<u>Internal Service Fund</u> <u>Self-Insurance Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Interfund Services Provided	\$ 2,666,397
Cash Payments to Other Suppliers for Goods and Services	<u>(4,085,082)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(1,418,685)</u>
<b>Cash Flows from Investing Activities</b>	
Cash Received from Interest & Investment Earnings	<u>265,742</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>265,742</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,152,943)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>13,706,361</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 12,553,418</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities</b>	
Operating Income (Loss)	\$ (1,371,143)
Change in Assets and Liabilities:	
Increase (Decrease) in Cash Overdraft	(109,770)
Increase (Decrease) in Accounts Payable	100
Increase (Decrease) in Due to Other Funds	<u>62,128</u>
Total Adjustments	<u>(47,542)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (1,418,685)</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, 2023

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## 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, charter school operations, special revenue funds, capital facilities funds, debt service funds, 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, 2023

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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, 2023

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

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

## *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.

**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.

## *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*).

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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**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:

**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 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.*).

**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.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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**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*).

#### 4. Basis of Accounting – Measurement Focus

**Government-Wide and Fiduciary Financial Statements.** The government-wide financial statements are reported using the economic resources measurement focus and 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, 2023

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## 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 1<sup>st</sup>. 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, 2023

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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, 2023

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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. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of \$5,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. Subscription Assets & Subscription Liabilities

A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs result in a subscription asset and subscription liability on the date of inception in accordance with GASB Statement 96 which are recorded at present value using an imputed interest rate based on the best available borrowing rate for the District in the year of inception. The District has established a capitalization threshold for subscription assets and liabilities of \$5,000. The subscription assets are amortized over the subscription term. The subscription liabilities are reduced as principal payments on the agreements are paid.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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f. 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.

g. 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.

h. 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.

i. 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.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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*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.

*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.

j. 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.

k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Pupil Transportation Fund (Fund 15) does not have continuing revenue sources that are either restricted or committed in nature. As such, this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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a. 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.

b. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, 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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

c. 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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## 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.

## 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, 2023. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement 91, Conduit Debt Obligations	05/2019
GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements	03/2020
GASB Statement 96, Subscription Based Information Technology Arrangements	05/2020
GASB Statement 99, Omnibus 2022 (Portions related to leases, PPPs, and SBITAs)	04/2022
GASB Implementation Guide 2021-1, Implementation Guidance Update - 2021 (Except Question 5.1)	05/2021

The implementation of new accounting guidelines resulted in the following changes during the fiscal year ended June 30, 2023:

- Subscription based information technology arrangements (SBITAs) were previously accounted for as a current expense in the years the subscription payments were made. Under the provisions of GASB Statement No. 96 long-term subscriptions are recorded on the government wide statement of net position as subscription assets which are amortized over the life of the agreement, and subscription liabilities which are reduced over the life of the agreement by principal payments.

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, 2023

## 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, 2023, 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	\$ 340,970,950	\$ -	\$ 340,970,950	\$ -
Total external investment pools	340,970,950	-	340,970,950	-
Other investments measured at fair value				
Cash with Fiscal Agent - Money Market Funds	34,565,686	34,565,686	-	-
Total other investments	34,565,686	34,565,686	-	-
Total Investments	\$ 375,536,636	\$ 34,565,686	\$ 340,970,950	\$ -

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, 2023

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, 2023 the District held the following cash and investments:

	General Fund	Charter School Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total
Cash in County Treasury	\$ 158,193,422	\$ 45,796,157	\$ 65,013,338	\$ 68,914,609	\$ 337,917,526
Fair Market Value Adjustment	(4,314,778)	(1,249,099)	(1,773,252)	(1,879,660)	(9,216,789)
Cash in Banks & Revolving Fund	944,565	69,188	-	15,672,794	16,686,547
Cash with Fiscal Agent	-	-	34,565,686	-	34,565,686
Total Cash and Cash Equivalents	<u>\$ 154,823,209</u>	<u>\$ 44,616,246</u>	<u>\$ 97,805,772</u>	<u>\$ 82,707,743</u>	<u>\$ 379,952,970</u>
	Self-Insurance Fund				
Cash in County Treasury	\$ 12,614,248				
Fair Market Value Adjustment	(344,035)				
Cash in Banks & Revolving Fund	283,205				
Total Cash and Cash Equivalents	<u>\$ 12,553,418</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 (\$350,531,774 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$340,970,950. 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 (\$16,541,547 as of June 30, 2023) and in revolving fund (\$145,000 as of June 30, 2023) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

### 3. Cash with Fiscal Agents and Investments

The District's cash with fiscal agent (\$34,565,686 as of June 30, 2023) 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.

### 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, 2023

## 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, 2023, 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	\$ 340,970,950
Money Market Funds	Unrated	Not Applicable	34,565,686

### 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, 2023, the District's bank balances exceeded FDIC limitations by \$16,436,547 and as such were exposed to custodial credit risk. Money market and county treasury investment pool balances of \$375,536,636 were not FDIC insured and therefore exposed to custodial credit risk.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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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 \$340,970,950. The average weighted maturity for this pool was 438 days at June 30, 2023.

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, 2023

## 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, 2023 consisted of:

	Major Governmental Funds				Total
	General Fund	Charter School Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	
Federal Government:					
Special Education	\$ 7,524,375	\$ -	\$ -	\$ -	\$ 7,524,375
ESSER/GEER	2,096,834	1,289,409	-	-	3,386,243
Child Nutrition Program	-	-	-	4,271,409	4,271,409
Title I	1,002,685	364,057	-	-	1,366,742
Other Federal Programs	85,412	392,237	-	-	477,649
State Government:					
Education Protection Account	17,594,513	6,469,022	-	-	24,063,535
Special Education	539,025	-	-	-	539,025
Arts & Music	6,004,332	1,688,939	-	-	7,693,271
Lottery	1,333,172	372,571	-	-	1,705,743
Child Development Program	-	-	-	589,767	589,767
Child Nutrition Program	-	-	-	3,332,662	3,332,662
Other State Programs	749,719	135,504	-	-	885,223
Local Sources					
Interest	139,764	32,779	292,317	179,067	643,927
Child Nutrition Program	-	-	-	198,781	198,781
After School Program	1,494,183	-	-	-	1,494,183
Other Local Sources	4,171,513	224,137	-	117,140	4,512,790
Total Accounts Receivable	\$ 42,735,527	\$ 10,968,655	\$ 292,317	\$ 8,688,826	\$ 62,685,325
Self-Insurance					
Fund					
Local Sources					
Interest	\$ 39,007				
Total Accounts Receivable	\$ 39,007				

## F. Prepaid Expenditures

Prepaid expenditures as of June 30, 2023 consisted of:

	General Fund	Charter School Fund	Total
Prepaid Service Contracts	\$ 5,250	\$ 97,490	\$ 102,740

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## G. Lease Receivable

The District holds a facilities lease agreement with Child Development Association, Inc. (CDA) to lease property at Finney Elementary School to be used to operate a California State Preschool program. The lease began July 1, 2020 and extends through June 30, 2031. The lease calls for payments of \$170 per month through June 30, 2025 followed by payments of \$175 per month through June 30, 2031. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.5%, which is an imputed rate.

The District holds a facilities lease agreement with Child Development Association, Inc. (CDA) to lease property at Hilltop Elementary School to be used to operate a California State Preschool program. The lease began July 1, 2020 and extends through June 30, 2031. The lease calls for payments of \$170 per month through June 30, 2025 followed by payments of \$175 per month through June 30, 2031. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.5%, which is an imputed rate.

The District holds a facilities lease agreement with Seniors on Broadway Limited Partnership to lease property at Chula Vista Learning Community Charter School to be used to operate a senior rental housing center containing senior residential dwelling units. The lease began March 1, 2005 and extends through December 15, 2081. The initial lease amount was an annual payment of \$5,000 with payments increasing by \$5,000 until the amount reached \$60,000 in the twelfth year. Beginning in the 13<sup>th</sup> year, the lease amount increases annually by 2.5% each year. For the first fifteen years, payments can be made based upon available cash flow with all payments due and payable no later than the end of year fifteen of the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.5%, which is an imputed rate.

The District holds a facilities lease agreement with Leonardo Da Vinci Health Sciences Charter School to lease property owned by the District to be used to operate a California Charter School. The lease began July 1, 2021 and extends through June 30, 2024. The lease calls for payments of \$76,877 per year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.5%, which is an imputed rate.

The District holds a facilities lease agreement with Davila to lease property owned by the District to be used as outlined in the agreement. The lease began July 1, 2022 and extends through June 30, 2028. The lease calls for payments averaging \$128,637 per year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.4%, which is an imputed rate.

Description	Balance Beginning of Year	Current Year Additions	Current Year Principal Collected	Balance End of Year
Building Lease - CDA Finney	\$ 18,540	\$ -	\$ 1,855	\$ 16,685
Building Lease - CDA Hilltop	18,540	-	1,856	16,684
Building Lease - Seniors on Broadway	9,016,996	-	-	9,016,996
Building Lease - Leonardo DaVinci	88,378	-	75,740	12,638
Building Lease - Davila	-	900,460	12,638	887,822
Total Leases Receivable	<u>\$ 9,142,454</u>	<u>\$ 900,460</u>	<u>\$ 92,089</u>	<u>\$ 9,950,825</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## H. Capital Assets and Lease Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 40,352,913	\$ 11,034,696	\$ -	\$ 51,387,609
Work in progress	94,578,847	25,398,875	62,254,751	57,722,971
Total capital assets not being depreciated	<u>134,931,760</u>	<u>36,433,571</u>	<u>62,254,751</u>	<u>109,110,580</u>
Capital assets being depreciated:				
Land improvements	18,544,716	906,711	-	19,451,427
Buildings and improvements	607,433,731	66,302,428	-	673,736,159
Equipment	22,729,896	1,611,300	45,234	24,295,962
Total capital assets being depreciated	<u>648,708,343</u>	<u>68,820,439</u>	<u>45,234</u>	<u>717,483,548</u>
Less accumulated depreciation for:				
Land improvements	(10,022,113)	(768,055)	-	(10,790,168)
Buildings and improvements	(272,094,691)	(16,819,141)	-	(288,913,832)
Equipment	(16,138,225)	(1,422,150)	(43,407)	(17,516,968)
Total accumulated depreciation	<u>(298,255,029)</u>	<u>(19,009,346)</u>	<u>(43,407)</u>	<u>(317,220,968)</u>
Total capital assets, net	<u>485,385,074</u>	<u>86,244,664</u>	<u>62,256,578</u>	<u>509,373,160</u>
Lease assets:				
Facilities	11,960,321	-	-	11,960,321
Equipment	659,104	127,338	-	786,442
Less accumulated amortization	<u>(3,792,373)</u>	<u>(1,042,303)</u>	<u>-</u>	<u>(4,834,676)</u>
Total lease assets, net	<u>8,827,052</u>	<u>(914,965)</u>	<u>-</u>	<u>7,912,087</u>
Total capital assets and lease assets, net	<u>\$ 494,212,126</u>	<u>\$ 85,329,699</u>	<u>\$ 62,256,578</u>	<u>\$ 517,285,247</u>

Depreciation and amortization were charged to functions as follows:

	Depreciation by Function	Amortization by Function
Instruction	\$ 17,536,434	\$ 5,528
Instruction Related	113,187	-
School Site Administration	7,845	5,678
Home-to-School Transportation	633,589	-
Food Services	125,775	-
General Administration	1,214	-
Centralized Data Processing	160,595	406
Plant Services	430,707	1,030,691
	<u>\$ 19,009,346</u>	<u>\$ 1,042,303</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## I. Interfund Balances & Activities

### 1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2023 consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Charter School Fund	\$ 877,031	Oversight fees
General Fund	Charter School Fund	297,553	Reimbursement of expenditures
General Fund	Capital Project Fund for Blended Component Unit	105,574	Reimbursement of expenditures
General Fund	Nonmajor Governmental Funds	190,961	Indirect costs
General Fund	Nonmajor Governmental Funds	52,237	Reimbursement of expenditures
Charter School Fund	General Fund	4,500,679	Property taxes transfer
Charter School Fund	General Fund	98,578	Impact aid transfer
Charter School Fund	General Fund	6,824	Reimbursement of expenditures
Charter School Fund	Nonmajor Governmental Funds	8,866	Reimbursement of expenditures
Nonmajor Governmental Funds	Capital Project Fund for Blended Component Unit	3,256	Reimbursement of expenditures
Capital Project Fund for Blended Component Unit	Capital Project Fund for Blended Component Unit	32,565	Reimbursement of expenditures
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,132,993	Reimbursement of expenditures
Nonmajor Governmental Funds	General Fund	1,200,471	Reimbursement of expenditures
	Total	<u>\$ 8,507,588</u>	

### 2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2023, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
Nonmajor Governmental Funds	Charter School Fund	\$ 1,074,283	OPSC reimbursement
Nonmajor Governmental Funds	Nonmajor Governmental Funds	581,855	Debt service payments
Nonmajor Governmental Funds	Capital Project Fund for Blended Component Unit	17,641,767	Debt service payments
	Total	<u>\$ 19,297,905</u>	



# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## J. Accounts Payable

Accounts payable balances as of June 30, 2023 consisted of:

	Major Governmental Funds				Total Governmental Funds
	General Fund	Charter School Fund	Capital Projects Fund for Blended Component Units	Nonmajor Governmental Funds	
Vendors Payable	\$ 16,672,039	\$ 1,005,058	\$ 2,755,733	\$ 3,467,856	\$ 23,900,686
Payroll and Benefits	4,097,066	795,177	-	743,513	5,635,756
LCFF Repayment	18,299,183	6,599,485	-	-	24,898,668
Property Tax Transfer	1,073,482	-	-	22,595	1,096,077
Other Current Liabilities	-	-	-	125,005	125,005
<b>Total Accounts Payable</b>	<b>\$ 40,141,770</b>	<b>\$ 8,399,720</b>	<b>\$ 2,755,733</b>	<b>\$ 4,358,969</b>	<b>\$ 55,656,192</b>
	Self Insurance Fund				
Vendors Payable	\$ 4,100				
<b>Total Accounts Payable</b>	<b>\$ 4,100</b>				

## K. Unearned Revenue

Unearned revenue balances as of June 30, 2023 consisted of:

	Major Governmental Funds			Total
	General Fund	Charter School Fund	Nonmajor Governmental Funds	
Federal Government:				
Title I	\$ -	\$ 296,242	\$ -	\$ 296,242
ESSER/GEER	515,571	703,484	-	1,219,055
Title III	518,158	4,660	-	522,818
Other Federal Programs	104,021	47,111	-	151,132
State Government:				
Universal Pre-kindergarten	1,689,429	992,159	-	2,681,588
In Person Instruction	-	265,433	-	265,433
Child Development	-	-	1,488,270	1,488,270
Other State Programs	-	5,223	-	5,223
Local Sources				
Local Contracts & Grants	1,087,422	117,225	-	1,204,647
<b>Total Unearned Revenue</b>	<b>\$ 3,914,601</b>	<b>\$ 2,431,537</b>	<b>\$ 1,488,270</b>	<b>\$ 7,834,408</b>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## L. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2023 consisted of:

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Charter School Fund	Capital Project Fund		
<b>Nonspendable Fund Balance</b>					
Revolving Cash	\$ 135,000	\$ 10,000	\$ -	\$ -	\$ 145,000
Inventory	1,219,936	-	-	222,448	1,442,384
Prepaid Expenditures	5,250	97,489	-	-	102,739
<b>Total Nonspendable Fund Balance</b>	<b>1,360,186</b>	<b>107,489</b>	<b>-</b>	<b>222,448</b>	<b>1,690,123</b>
<b>Restricted Fund Balance</b>					
Capital Projects	-	1,052	95,233,525	42,354,501	137,589,078
Debt Service	-	-	-	20,004,414	20,004,414
Educational Programs	73,694,178	20,632,714	-	1,328,551	95,655,443
Restricted Maintenance	-	-	-	-	-
Associated Student Body Funds	-	-	-	1,071,991	1,071,991
Child Nutrition Program	-	-	-	21,510,547	21,510,547
Other Purposes	3,336,135	104,033	-	-	3,440,168
<b>Total Restricted Fund Balance</b>	<b>77,030,313</b>	<b>20,737,799</b>	<b>95,233,525</b>	<b>86,270,004</b>	<b>279,271,641</b>
<b>Assigned Fund Balance</b>					
Pupil Transportation	231,266	-	-	-	231,266
Charter School Programs	-	27,446,209	-	-	27,446,209
<b>Total Committed Fund Balance</b>	<b>231,266</b>	<b>27,446,209</b>	<b>-</b>	<b>-</b>	<b>27,677,475</b>
<b>Committed Fund Balance</b>					
Continuity of Programs	39,469,882	-	-	-	39,469,882
<b>Total Committed Fund Balance</b>	<b>39,469,882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,469,882</b>
<b>Unassigned Fund Balance</b>					
For Economic Uncertainties	32,645,950	-	-	-	32,645,950
<b>Total Unassigned Fund Balance</b>	<b>32,645,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,645,950</b>
<b>Total Fund Balance</b>	<b>\$ 150,737,597</b>	<b>\$ 48,291,497</b>	<b>\$ 95,233,525</b>	<b>\$ 86,492,452</b>	<b>\$ 380,755,071</b>

## M. 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.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## N. 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, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 214,305,145	\$ 982,727	\$ 18,685,420	\$ 196,602,452	\$ 80,023,146
Certificates of Participation	203,874,613	-	13,119,516	190,755,097	13,181,933
Leases Payable	8,864,603	127,349	1,083,162	7,908,790	1,104,568
Net Pension Liability*	197,499,043	109,703,259	-	307,202,302	-
Net OPEB Obligation*	49,310,819	-	5,721,053	43,589,766	-
Compensated Absences*	1,700,197	67,243	-	1,767,440	1,767,440
Total Governmental Activities	<u>\$ 675,554,420</u>	<u>\$ 110,880,578</u>	<u>\$ 38,609,151</u>	<u>\$ 747,825,847</u>	<u>\$ 96,077,087</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, charter school fund, child development fund and cafeteria 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, 2023

## 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, 2013 refunding bonds, and 2021 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, 2023, 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, 2023, \$250,000,000 remains unissued.

General obligation bonds for fiscal year ended June 30, 2023 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
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 Note	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
2021 Refunding Bonds	10/28/21	0.76%	08/01/26	5,342,000
Total				<u>\$ 254,675,285</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2012 Refunding Bonds					
Principal	\$ 9,105,000	\$ -	\$ 1,250,000	\$ 7,855,000	\$ 1,305,000
Premium	1,070,358	-	146,946	923,412	153,412
2012 Election Series A					
Principal	22,580,000	-	625,000	21,955,000	705,000
Premium	699,296	-	19,356	679,940	21,834
2013 Refunding Bonds					
Principal	11,300,000	-	2,935,000	8,365,000	3,075,000
Premium	1,289,326	-	334,883	954,443	350,857
2012 Election Series B					
Principal	10,515,000	-	305,000	10,210,000	340,000
Premium	574,022	-	16,650	557,372	18,561
2012 Election Series C					
Principal	44,635,000	-	260,000	44,375,000	340,000
Premium	2,411,280	-	14,046	2,397,234	18,368
2019 GO Bond Anticipation Notes					
Principal	59,998,285	-	-	59,998,285	59,998,285
Premium	95,107	-	-	95,107	95,107
Accreted Interest	2,750,180	982,727	-	3,732,907	3,831,715
2020 Election Series A					
Principal	39,800,000	-	11,000,000	28,800,000	8,145,000
Premium	2,140,291	-	591,539	1,548,752	438,007
2021 Refunding Bonds					
Principal	5,342,000	-	1,187,000	4,155,000	1,128,000
Total	<u>\$ 214,305,145</u>	<u>\$ 982,727</u>	<u>\$ 18,685,420</u>	<u>\$ 196,602,452</u>	<u>\$ 79,964,146</u>

The annual requirements to amortize the bonds outstanding at June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2024	\$ 75,036,285	\$ 4,180,882	\$ 3,831,715	\$ 83,048,882
2025	10,133,000	3,827,401	-	13,960,401
2026	10,069,000	3,512,652	-	13,581,652
2027	10,315,000	3,221,265	-	13,536,265
2028	10,380,000	2,921,282	-	13,301,282
2029-2033	18,220,000	11,915,563	-	30,135,563
2034-2038	24,475,000	7,899,702	-	32,374,702
2039-2043	27,085,000	2,254,196	-	29,339,196
Total	<u>\$ 185,713,285</u>	<u>\$ 39,732,943</u>	<u>\$ 3,831,715</u>	<u>\$ 229,277,943</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, 2023.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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

## *Premium*

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

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

	2010	2012	2012 Election
	<u>Refunding Bond</u>	<u>Refunding Bond</u>	<u>Series A</u>
Total Interest Payments	\$ 3,953,964	\$ 6,959,069	\$ 17,592,565
Less Bond Premium	<u>(355,444)</u>	<u>(2,184,212)</u>	<u>(960,059)</u>
Net Interest Payments	<u>3,598,520</u>	<u>4,774,857</u>	<u>16,632,506</u>
PAR Amount of Bonds	14,785,000	18,580,000	31,000,000
Periods	16	17	24
Effective Interest Rate	1.52%	1.51%	2.24%
	2013	2012 Election	2012 Election
	<u>Refunding Bond</u>	<u>Series B</u>	<u>Series C</u>
Total Interest Payments	\$ 9,647,357	\$ 6,454,065	\$ 37,033,988
Less Bond Premium	<u>(3,509,136)</u>	<u>(764,272)</u>	<u>(2,430,996)</u>
Net Interest Payments	<u>6,138,221</u>	<u>5,689,793</u>	<u>34,602,992</u>
PAR Amount of Bonds	30,755,000	14,000,000	45,000,000
Periods	17	25	25
Effective Interest Rate	1.17%	1.63%	3.08%
	2019 Bond	2020 Election	
	<u>Anticipation Note</u>	<u>Series A</u>	
Total Interest Payments	\$ 3,831,715	\$ 3,410,767	
Less Bond Premium	<u>(95,107)</u>	<u>(2,688,808)</u>	
Net Interest Payments	<u>3,736,608</u>	<u>721,959</u>	
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, 2023

### 3. Certificates of Participation

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

On November 16, 2021, the District issued \$16,475,000 in 2021 refunding COPs, Series A. The COPs mature annually on September 1 from September 1, 2022, through September 1, 2036. The COPs bear interest at 4.00% with semi-annual payments on March 1 and September 1 through maturity. The bonds were used to refund the remaining 2011 COPs and paid the costs of issuance for the COPs.

On November 16, 2021, the District issued \$5,450,000 in 2021 refunding COPs, Series B. The COPs mature annually on September 1 from September 1, 2022, through September 1, 2033. The COPs bear interest ranging from 0.636 – 2.830% with semi-annual payments on March 1 and September 1 through maturity. The bonds were used to refund the remaining 2013 COPs and paid the costs of issuance for the COPs.

On November 18, 2021, the District issued \$60,000,000 in 2021 COPs. The COPs mature annually on September 1 from September 1, 2022, through September 1, 2051. The COPs bear interest ranging from 2.00 – 5.00% with semi-annual payments on March 1 and September 1 through maturity. The bonds were deposited into the capital projects fund for blended component units, deposited into a reserve account, and used to pay the costs of issuance for the COPs.

Certificates of participation issued by the District as of June 30, 2023 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
2013 Refunding COPs	04/03/13	3.00 - 5.00%	09/01/28	41,650,000
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
2020 COPs	02/19/20	2.13 - 5.00%	09/01/48	25,000,000
2021 Refunding COPs, Series A	12/08/21	4.00%	09/01/36	16,475,000
2021 Refunding COPs, Series B	12/08/21	0.636 - 2.830%	09/01/33	5,450,000
2021 COPs	12/08/21	2.00 - 5.00%	09/01/51	60,000,000
Total				<u>\$ 239,000,000</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2010 Refunding COPs					
Principal	\$ 4,040,000	\$ -	\$ 1,070,000	\$ 2,970,000	\$ 1,110,000
Premium	82,108	-	21,746	60,362	22,559
2013 Refunding COPs					
Principal	22,895,000	-	3,725,000	19,170,000	3,805,000
Premium	2,653,484	-	431,720	2,221,764	440,992
2014 Refunding COPs					
Principal	28,315,000	-	2,675,000	25,640,000	2,870,000
Premium	2,610,513	-	246,623	2,363,890	264,601
2016 COPs					
Principal	29,930,000	-	1,240,000	28,690,000	1,310,000
Premium	1,758,839	-	72,869	1,685,970	76,982
2020 COPs					
Principal	25,000,000	-	350,000	24,650,000	380,000
Premium	830,681	-	11,630	819,051	12,626
2021 Refunding COPs, Series A					
Principal	16,475,000	-	820,000	15,655,000	725,000
Premium	3,029,900	-	150,805	2,879,095	133,334
2021 Refunding COPs, Series B					
Principal	5,450,000	-	480,000	4,970,000	455,000
2021 COPs					
Principal	60,000,000	-	1,800,000	58,200,000	1,555,000
Premium	804,088	-	24,123	779,965	20,839
Total	<u>\$ 203,874,613</u>	<u>\$ -</u>	<u>\$ 13,119,516</u>	<u>\$ 190,755,097</u>	<u>\$ 13,181,933</u>

The annual requirements to amortize the certificates of participation at June 30, 2023 are as follows:

Year Ended	Principal	Interest	Total
June 30,			
2024	\$ 12,210,000	\$ 5,587,065	\$ 17,797,065
2025	13,005,000	5,054,440	18,059,440
2026	12,860,000	4,526,940	17,386,940
2027	12,670,000	4,033,334	16,703,334
2028	11,585,000	3,622,898	15,207,898
2029-2033	41,775,000	12,984,394	54,759,394
2034-2038	28,950,000	7,378,373	36,328,373
2039-2043	21,745,000	4,188,322	25,933,322
2044-2048	18,785,000	1,956,675	20,741,675
2049-2053	6,360,000	278,531	6,638,531
Total	<u>\$ 179,945,000</u>	<u>\$ 49,610,972</u>	<u>\$ 229,555,972</u>



# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## 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	2013 Charter School COPs
Total Interest Payments	\$ 3,299,246	\$ 16,157,330	\$ 15,767,173	\$ 4,627,975
(Premium)/Discount	<u>(228,030)</u>	<u>463,543</u>	<u>(4,827,149)</u>	<u>(5,545)</u>
Net Interest Payments	<u>3,071,216</u>	<u>16,620,873</u>	<u>10,940,024</u>	<u>4,622,430</u>
PAR Amount of COPs	11,220,000	25,000,000	41,650,000	6,845,000
Periods	15	25	16	20
Effective Interest Rate	1.82%	2.66%	1.64%	3.38%
	2014 Refunding COPs	2016 COPs	2016 Refunding COPs	2020 COPs
Total Interest Payments	\$ 15,741,344	\$ 16,558,370	\$ 714,340	\$ 12,413,279
(Premium)/Discount	<u>(3,910,930)</u>	<u>(2,161,675)</u>	<u>(502,419)</u>	<u>(830,681)</u>
Net Interest Payments	<u>11,830,414</u>	<u>14,396,695</u>	<u>211,921</u>	<u>11,582,598</u>
PAR Amount of COPs	42,420,000	36,785,000	6,600,000	25,000,000
Periods	17	25	6	29
Effective Interest Rate	1.64%	1.57%	0.54%	1.60%
	2021 Refunding COPs - A	2021 COPs		
Total Interest Payments	\$ 5,112,836	\$ 20,932,207		
(Premium)/Discount	<u>(3,029,900)</u>	<u>(804,088)</u>		
Net Interest Payments	<u>2,082,936</u>	<u>20,128,119</u>		
PAR Amount of COPs	16,475,000	60,000,000		
Periods	15	30		
Effective Interest Rate	0.84%	1.12%		

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## 4. Leases Payable

The District holds 57 lease agreements with Copy Link for the right to use copy machines at various locations within the District. The leases range from 36 to 60 months with payments ranging from \$131 per month to \$473 per month. The leases payable are recorded at the net present value of lease payments utilizing an interest rate of 0.0%.

The District holds a lease agreement with Marina Gateway, LLC for the right to use a facility for Mueller Charter School. The lease began July 1, 2016 and extends through June 30, 2031. Payments began at \$35,000 per month with annual increases up to \$63,412 per month. The lease payable is recorded at the net present value of lease payments utilizing an imputed interest rate of 1.5%.

The District holds a lease agreement with Intergulf-Mar Park, LLC for the right to use a facility for Chula Vista Learning Community Charter School. The lease began September 1, 2020 and extends through August 31, 2028. Payments began at \$23,930 per month with annual increases up to \$37,610 per month. The lease payable is recorded at the net present value of lease payments utilizing an imputed interest rate of 1.5%.

The District holds two lease agreements with William Scotsman, Inc for the right to use facilities for Mueller Charter School. The leases began July 1, 2019 and extends through June 30, 2029. Payments on the first lease are \$1,499 per month and payments on the second lease are \$434 per month. The leases payable are recorded at the net present value of lease payments utilizing an imputed interest rate of 1.5%.

Balances were retroactively adjusted to show beginning balances resulting from an accounting change for implementation of GASB Statement No. 87.

Activity for leases payable during the year ended June 30, 2023 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Copy-Link Copy Machines	\$ 336,741	\$ 127,349	\$ 145,634	\$ 318,456	\$ 126,878
Charter School Facilities	8,527,862	-	937,528	7,590,334	977,690
Total Leases Payable	<u>\$ 8,864,603</u>	<u>\$ 127,349</u>	<u>\$ 1,083,162</u>	<u>\$ 7,908,790</u>	<u>\$ 1,104,568</u>

Future minimum payments on leases are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,104,568	\$ 114,261	\$ 1,218,829
2025	1,092,252	94,145	1,186,397
2026	1,123,709	76,999	1,200,708
2027	1,147,824	59,748	1,207,572
2028	1,154,953	42,760	1,197,713
2029-2031	2,285,484	52,969	2,338,453
Total	<u>\$ 7,908,790</u>	<u>\$ 440,882</u>	<u>\$ 8,349,672</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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5. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2023, amounted to \$1,700,197. This amount is included as part of long-term liabilities in the government-wide financial statements.

6. Net Pension Liability

See Note O for information regarding Net Pension Liability.

7. Net OPEB Liability

See Note P for information regarding Net OPEB Liability.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## O. 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, 2023 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 (2022-23)	10.250%	10.205%
Required Employer Contribution Rates (2022-23)	19.100%	19.100%
Required State Contribution Rates (2022-23)	10.828%	10.828%

\*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, 2023

	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 (2022-23)	7.000%	8.000%
Required Employer Contribution Rates (2022-23)	25.370%	25.370%

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

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

c. Contributions

*CalSTRS*

For the fiscal year ended June 30, 2023, 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 19.10% of creditable compensation for the fiscal year ended June 30, 2023. 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.

*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, 2023, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 25.37% of covered payroll.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## *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, 2023 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS		
	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2021	10.328%	\$ 16,756,592	\$ 11,519,073
2022	10.828%	18,108,985	2,825,613
2023	10.828%	16,432,110	54,869,643

The State contributed an additional \$297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

### d. Contributions Recognized

For the fiscal year ended June 30, 2023 (measurement period June 30, 2022), the contributions recognized for each plan were:

	Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 34,904,151	\$ 15,452,375	\$ 50,356,526
Contributions - State On Behalf Payments	16,432,110	-	16,432,110
Total Governmental Funds	<u>\$ 51,336,261</u>	<u>\$ 15,452,375</u>	<u>\$ 66,788,636</u>

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 28,885,851	\$ 12,547,620	\$ 41,433,471
Contributions - State On Behalf Payments	18,108,985	-	18,108,985
Total Government-Wide	<u>\$ 46,994,836</u>	<u>\$ 12,547,620</u>	<u>\$ 59,542,456</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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

As of June 30, 2022 (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		
	CaSTRS	CaPERS	Total
Governmental Activities	\$ 185,824,942	\$ 121,377,360	\$ 307,202,302

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, 2022. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to measurement date June 30, 2022 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, 2022 and June 30, 2023 were as follows:

	CaSTRS		Total For District Employees	CaPERS
	District's Proportionate Share	State's Proportionate Share*		District's Proportionate Share
<u>Governmental Activities</u>				
Proportion June 30, 2022	0.272542%	0.202077%	0.474619%	0.361322%
Proportion June 30, 2023	0.267429%	0.163098%	0.430527%	0.352748%
Change in Proportion	-0.005113%	-0.038979%	-0.044092%	-0.008574%

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

### a. Pension Expense

	Governmental Activities		
	CaSTRS	CaPERS	Total
State On Behalf Pension Expense	\$ 54,869,643	\$ -	\$ 54,869,643
Employer Contributions	34,904,151	15,452,375	50,356,526
Change In:			
Net Pension Liability	61,798,676	47,904,583	109,703,259
Deferred Outflows of Resources	7,134,805	(51,733,078)	(44,598,273)
Deferred Inflows of Resources	(90,548,483)	3,527,912	(87,020,571)
Total Pension Expense - Governmental	\$ 68,158,792	\$ 15,151,792	\$ 83,310,584

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

b. Deferred Outflows and Inflows of Resources

At June 30, 2023, 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>			
Contributions Subsequent to Measurement	\$ 34,904,151	\$ 15,452,375	\$ 50,356,526
Experience Differences	128,051	579,639	707,690
Changes in Assumptions	6,840,332	8,978,807	15,819,139
Changes in Proportionate Share	10,664,453	216,611	10,881,064
Earnings Differences	-	13,869,577	13,869,577
Total Deferred Outflows of Resources	<u>\$ 52,536,987</u>	<u>\$ 39,097,009</u>	<u>\$ 91,633,996</u>

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Experience Differences	\$ 14,111,244	\$ 3,022,765	\$ 17,134,009
Changes in Proportionate Share	13,038,091	3,143,789	16,181,880
Earnings Differences	10,940,773	-	10,940,773
Total Deferred Inflows of Resources	<u>\$ 38,090,108</u>	<u>\$ 6,166,554</u>	<u>\$ 44,256,662</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, 2024. 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	Governmental Activities				
	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
June 30,					
2024	\$ 44,306,326	\$ 21,564,376	\$ (16,697,328)	\$ (2,125,372)	\$ 47,048,002
2025	3,928,494	5,110,624	(16,833,912)	(2,125,370)	(9,920,164)
2026	3,928,493	3,683,247	(14,886,034)	(1,567,118)	(8,841,412)
2027	373,674	8,738,762	12,917,182	(348,694)	21,680,924
2028	-	-	(1,950,859)	-	(1,950,859)
Thereafter	-	-	(639,157)	-	(639,157)
Total	<u>\$ 52,536,987</u>	<u>\$ 39,097,009</u>	<u>\$ (38,090,108)</u>	<u>\$ (6,166,554)</u>	<u>\$ 47,377,334</u>



# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2023, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Payroll Growth	3.50%	(3)
Investment Rate of Return	7.00%	6.90%
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 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

## Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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### d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% 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. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

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 2021 with new policies in effect on July 1, 2022. 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, 2023

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.

<b>CalSTRS</b>		
<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Public Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Estate	15.00%	3.55%
Inflation Sensitivie	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigating Strategies	10.00%	1.75%
Cash/Liquidity	2.00%	-0.35%
*20 year average		

<b>CalPERS</b>		
<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
*20 year average		

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 315,600,986	\$ 175,335,742
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 185,824,942	\$ 121,377,360
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 78,073,222	\$ 76,782,740

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## 1. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

### CalSTRS Governmental Activities

	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)
<b>Balance at June 30, 2022</b>					
(Previously Reported)	\$ 1,688,697,558	\$ 1,472,711,683	\$ 215,985,875	\$ 91,959,609	\$ 124,026,266
<b>Changes for the year</b>					
Change in proportionate share	(156,879,629)	(136,814,589)	(20,065,040)	(17,738,256)	(2,326,784)
Service cost	33,042,947	-	33,042,947	12,517,772	20,525,175
Interest	108,475,583	-	108,475,583	41,094,172	67,381,411
Experience differences	(7,202,717)	-	(7,202,717)	(2,728,630)	(4,474,087)
Change in assumptions	-	-	-	-	-
Change in benefits	301,369	-	301,369	114,169	187,200
Contributions:					
Employer	-	28,076,198	(28,076,198)	(10,636,201)	(17,439,997)
Employee	-	17,511,798	(17,511,798)	(6,634,054)	(10,877,744)
State on behalf	-	18,426,401	(18,426,401)	(6,980,536)	(11,445,865)
Net investment income	-	(31,817,194)	31,817,194	12,053,415	19,763,779
Other income	-	560,525	(560,525)	(212,345)	(348,180)
Benefit payments <sup>(1)</sup>	(75,457,042)	(75,457,042)	-	-	-
Administrative expenses	-	(822,806)	822,806	311,706	511,100
Borrowing costs	-	(528,661)	528,661	200,275	328,386
Other expenses	-	(22,991)	22,991	8,709	14,282
Net changes	(97,719,489)	(180,888,361)	83,168,872	21,370,196	61,798,676
<b>Balance at June 30, 2023</b>	<u>\$ 1,590,978,069</u>	<u>\$ 1,291,823,322</u>	<u>\$ 299,154,747</u>	<u>\$ 113,329,805</u>	<u>\$ 185,824,942</u>

(1) – Includes refunds of employee contributions

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balance at June 30, 2022</b>			
(Previously Reported)	\$ 386,099,612	\$ 312,626,836	\$ 73,472,776
<b>Changes for the year</b>			
Change in proportionate share	(9,161,961)	(7,418,487)	(1,743,474)
Service cost	8,766,923	-	8,766,923
Interest	26,229,703	-	26,229,703
Experience differences	(3,909,809)	-	(3,909,809)
Change in assumptions	12,074,947	-	12,074,947
Change in benefits	-	-	-
Contributions:			
Employer	-	12,547,625	(12,547,625)
Employee	-	3,895,186	(3,895,186)
Nonemployer	-	-	-
Net plan to plan resource movement	-	10	(10)
Net investment income	-	(22,739,691)	22,739,691
Benefit payments <sup>(1)</sup>	(18,691,261)	(18,691,261)	-
Administrative expenses	-	(189,424)	189,424
Other expenses	-	-	-
Net changes	<u>15,308,542</u>	<u>(32,596,042)</u>	<u>47,904,584</u>
<b>Balance at June 30, 2023</b>	<u>\$ 401,408,154</u>	<u>\$ 280,030,794</u>	<u>\$ 121,377,360</u>

(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, 2023

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## P. 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, 2023

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## *Non-Represented Employees*

The annual maximum for Certificated non-represented employees is \$7,500 effective January 1, 2022. For all other classified non-represented employees who were benefit eligible prior to 2008, and who retire with at least 10 years of continuous service, the last 5 years of which must be benefit eligible service shall be grandfathered to a District post employment health care benefit contribution that is based on employee years of service and retirement age. The District also provides \$1,200 for any eligible retiree waiving coverage.

For any classified non-represented employee hired on or after 2008, and who retire with at least ten years of continuous service, the last ten of which are benefit eligible service, the District shall contribute an amount up to the maximum of seven thousand dollars (\$7,500) 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).

## *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, 2023, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	152
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>3,245</u>
	<u><u>3,397</u></u>



# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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## *Benefits Provided*

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

## *Contributions*

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

## B. Net OPEB Liability of the District and the Plan

The District's net OPEB liability was measured as of June 30, 2023, 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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal Year	July 1 <sup>st</sup> to June 30 <sup>th</sup>
Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Funding Policy	Pay-as-you-go
Asset Return	6.0% per annum
Discount Rate	4.13% per annum
Inflation	2.75% per annum
Payroll Growth	2.8% 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

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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Participant Rates	85% of future active employees are assumed to elect retiree health coverage at retirement. 70% 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 7.00%

### *Discount Rate*

The discount rate of 4.13% is a blended rate between the rate of return at 4.09% and 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 increased from the June 30, 2021 discount rate of 2.16%.

### *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.

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## *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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	5.50%
Fixed Income	23%	2.35%
Treasury Inflation Protected Securities (TIPS)	5%	1.50%
Real Estate Investment Trusts	20%	3.65%
Commodities	3%	1.75%
Cash	0%	0.00%

Long-term expected rate of return is 6.00%.

## *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, 2022	\$ 65,336,433	\$ 16,025,614	\$ 49,310,819
Changes for the year:			
Service cost	3,966,471	-	3,966,471
Interest	2,821,826	-	2,821,826
Changes of benefit terms	-	-	-
Changes of assumptions	(9,509,462)	-	(9,509,462)
Experience differences	(585,179)	-	(585,179)
Contributions - employer	-	1,443,421	(1,443,421)
Net investment income	-	979,049	(979,049)
Benefit payments	(2,641,054)	(2,641,054)	-
Administrative expenses	-	(7,761)	7,761
Other expenses	-	-	-
Net change	<u>(5,947,398)</u>	<u>(226,345)</u>	<u>(5,721,053)</u>
Balance at June 30, 2023	<u>\$ 59,389,035</u>	<u>\$ 15,799,269</u>	<u>\$ 43,589,766</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

### *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 (3.15%)	Valuation Discount Rate (4.13%)	1% Increase (5.15%)
\$ 47,834,674	\$ 43,589,766	\$ 39,548,641

### *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:

1% Decrease 6.00%	Healthcare Cost Trends Rate 7.00%	1% Increase 8.00%
Decreasing to 3.50%	Decreasing to 4.50%	Decreasing to 5.50%
\$ 37,466,602	\$ 43,589,766	\$ 50,716,277

### *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, 2023, the District recognized OPEB expense of \$5,556,473. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience differences	\$ 2,569,539	\$ 1,433,605
Changes of assumptions	6,296,157	16,528,679
Net earnings differences	1,153,261	-
Total	<u>\$ 10,018,957</u>	<u>\$ 17,962,284</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Effect on OPEB Expense</u>
2024	\$ 2,229,116	\$ (2,450,469)	\$ (221,353)
2025	2,117,400	(2,450,413)	(333,013)
2026	2,779,968	(2,208,495)	571,473
2027	1,144,999	(2,208,495)	(1,063,496)
2028	873,735	(2,208,495)	(1,334,760)
Thereafter	873,739	(6,435,917)	(5,562,178)
Total	<u>\$ 10,018,957</u>	<u>\$ (17,962,284)</u>	<u>\$ (7,943,327)</u>

## *Payables to the OPEB Plan*

At June 30, 2023, the District did not have any payables to the OPEB plan outstanding.

## **Q. 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, 2023

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## R. 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.

## S. 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 to 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, 2023.

### 3. Construction Commitments

As of June 30, 2023, 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	\$ 1,300,000	June 2024
Sonia Sotomayor Elementary	58,000,000	July 2024
Districtwide Solar Project	5,200,000	December 2023
Transportation Center	15,800,000	February 2024

\*Expected date of completion subject to change

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## T. Deferred Outflows of Resources

Refunding losses are recorded consistent with the requirements of GASB Statement No. 65 and are amortized over the shorter of the refunding term or refunded term utilizing the straight-line method.

Prepaid debt insurance are recorded consistent with the requirements of GASB Statement No. 65 and are amortized over the life of the debt utilizing the economic interest method.

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, 2023 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Loss - 2013 Bonds	\$ 488,806	\$ -	\$ 69,009	\$ 419,797
Refunding Loss - 2015 COPs	1,384,988	-	147,077	1,237,911
Refunding Loss - 2021 COPs Series A	965,154	-	64,338	900,816
Refunding Loss - 2021 COPs Series B	671,133	-	55,925	615,208
Prepaid Debt Insurance - 2020 COPs	30,240	-	1,120	29,120
Prepaid Debt Insurance - 2021 Ref. COPs-A	68,757	-	4,584	64,173
Prepaid Debt Insurance - 2021 Ref. COPs-B	20,078	-	1,673	18,405
Prepaid Debt Insurance - 2021 COPs	191,633	-	6,182	185,451
Pension Related				
CalSTRS	59,671,792	34,904,151	42,038,956	52,536,987
CalPERS	(12,636,069)	71,221,128	19,488,050	39,097,009
OPEB Related	12,208,863	70,383	2,260,289	10,018,957
Total Deferred Outflows of Resources	<u>\$ 63,065,375</u>	<u>\$ 106,195,662</u>	<u>\$ 64,137,203</u>	<u>\$ 105,123,834</u>

Future amortization of deferred outflows of resources are as follows:

Year Ending June 30,	Refunding Losses	Prepaid Insurance	Pension Related	OPEB Related	Total
2024	\$ 336,359	\$ 13,559	\$ 65,870,702	\$ 2,229,116	\$ 68,449,736
2025	336,359	13,559	9,039,118	2,117,400	11,506,436
2026	336,359	13,559	7,611,740	2,779,968	10,741,626
2027	336,359	13,559	9,112,436	1,144,999	10,607,353
2028	336,359	13,559	-	873,735	1,223,653
Thereafter	1,491,937	229,354	-	873,739	2,595,030
Total	<u>\$ 3,173,732</u>	<u>\$ 297,149</u>	<u>\$ 91,633,996</u>	<u>\$ 10,018,957</u>	<u>\$105,123,834</u>

# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## U. 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.

Refunding gains are recorded consistent with the requirements of GASB Statement No. 65 and are amortized over the shorter of the refunding term or refunded term utilizing the straight-line method.

Deferred rent income is recorded consistent with the requirements of GASB Statement No. 87 and is amortized over the life of the lease receivable utilizing the straight-line method.

A summary of the deferred inflows of resources as of June 30, 2023 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Gain - 2021 Bonds	\$ 13,734	\$ -	\$ 2,747	\$ 10,987
Deferred Rent Income	9,129,753	900,460	79,510	9,950,703
Pension Related				
CalSTRS	128,638,591	(71,614,660)	18,933,823	38,090,108
CalPERS	2,638,642	5,653,283	2,125,371	6,166,554
OPEB Related	10,318,085	10,094,641	2,450,469	17,962,257
Total Deferred Inflows of Resources	<u>\$ 150,738,805</u>	<u>\$ (54,966,276)</u>	<u>\$ 23,591,920</u>	<u>\$ 72,180,609</u>

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Refunding Gain	Deferred Rent Income	Pension Related	OPEB Related	Total
2023	\$ 2,747	598,193	\$ 18,822,700	\$ 2,450,469	\$ 21,874,109
2024	2,747	522,452	18,959,282	2,450,413	21,934,894
2025	2,747	522,452	16,453,152	2,208,495	19,186,846
2026	2,746	522,452	(12,568,488)	2,208,495	(9,834,795)
2027	-	522,452	1,950,859	2,208,495	4,681,806
Thereafter	-	7,262,702	639,157	6,435,890	14,337,749
Total	<u>\$ 10,987</u>	<u>\$ 9,950,703</u>	<u>\$ 44,256,662</u>	<u>\$ 17,962,257</u>	<u>\$ 72,180,609</u>



# Chula Vista Elementary School District

Notes to the Financial Statements, Continued

June 30, 2023

## 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 99, Omnibus 2022 (Portions related to financial guarantees and derivative instruments)	04/2022	2024-25
GASB Statement 100, Accounting Changes for Error Corrections	06/2022	2024-25
GASB Statement 101, Compensated Absences	06/2022	2024-25
GASB Implementation Guide 2021-1, Implementation Guidance Update - 2021 (Question 5.1)	05/2021	2024-25
GASB Implementation Guide 2023-1, Implementation Guidance Update - 2023	06/2023	2024-25

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

Required Supplementary Information

# Chula Vista Elementary School District

## Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			Variance to Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
LCFF Sources				
State Apportionment	\$ 127,630,102	\$ 110,226,545	\$ 110,499,843	\$ 273,298
Education Protection Account	17,837,442	35,563,582	35,273,977	(289,605)
Property Taxes	93,520,372	103,573,652	104,608,158	1,034,506
Federal Revenue	45,422,555	41,176,803	42,633,871	1,457,068
Other State Revenue	36,326,469	82,138,214	91,670,484	9,532,270
Interest Income	310,000	1,056,396	2,046,630	990,234
Fair Market Value Adjustment	-	1,747,593	(2,567,177)	(4,314,770)
Other Local Revenue	40,357,157	46,465,806	46,408,376	(57,430)
Total Revenues	<u>361,404,097</u>	<u>421,948,591</u>	<u>430,574,162</u>	<u>8,625,571</u>
<b>Expenditures</b>				
Current Expenditures:				
Certificated Salaries	153,984,555	153,414,977	154,192,376	(777,399)
Classified Salaries	59,623,362	56,930,754	55,730,891	1,199,863
Employee Benefits	98,000,863	96,398,136	92,310,408	4,087,728
Books and Supplies	17,673,491	19,398,106	18,034,742	1,363,364
Services and Other Operating	41,184,493	39,132,217	33,968,448	5,163,769
Other Outgo	1,627,219	1,474,425	1,479,495	(5,070)
Transfers of Indirect Costs	(441,648)	(534,097)	(552,045)	17,948
Capital Outlay	322,613	2,900,107	1,466,607	1,433,500
Debt Service				
Principal	-	-	115,857	(115,857)
Interest	-	-	1,848	(1,848)
Total Expenditures	<u>371,974,948</u>	<u>369,114,625</u>	<u>356,748,627</u>	<u>12,365,998</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,570,851)</u>	<u>52,833,966</u>	<u>73,825,535</u>	<u>20,991,569</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Leases	151,815	151,815	127,338	(24,477)
Net Financing Sources (Uses)	<u>151,815</u>	<u>151,815</u>	<u>127,338</u>	<u>(24,477)</u>
<b>Net Change in Fund Balance</b>	(10,419,036)	52,985,781	73,952,873	20,967,092
<b>Fund Balance - Beginning of Year</b>	<u>76,553,458</u>	<u>76,553,458</u>	<u>76,553,458</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 66,134,422</u>	<u>\$ 129,539,239</u>	<u>\$ 150,506,331</u>	<u>\$ 20,967,092</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, 2023

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
LCFF Sources				
State Apportionment	\$ 35,347,001	\$ 31,012,738	\$ 31,612,667	\$ 599,929
Education Protection Account	6,271,432	11,470,184	11,489,219	19,035
Property Taxes	23,474,430	25,618,116	26,078,975	460,859
Federal Revenue	11,784,941	13,994,378	8,417,059	(5,577,319)
Other State Revenue	8,340,435	22,848,135	26,174,119	3,325,984
Interest Income	158,665	158,665	709,444	550,779
Fair Market Value Adjustment	-	-	(574,194)	(574,194)
Other Local Revenue	84,894	472,677	652,393	179,716
Total Revenues	<u>85,461,798</u>	<u>105,574,893</u>	<u>104,559,682</u>	<u>(1,015,211)</u>
<b>Expenditures</b>				
Current Expenditures:				
Certificated Salaries	33,729,100	34,213,048	34,245,248	(32,200)
Classified Salaries	7,223,305	7,247,690	7,456,920	(209,230)
Employee Benefits	18,344,210	17,405,110	16,948,247	456,863
Books and Supplies	6,939,190	12,443,497	3,182,887	9,260,610
Services and Other Operating	18,059,742	25,560,062	18,131,646	7,428,416
Capital Outlay	455,033	719,437	257,882	461,555
Debt Service				
Principal	-	-	967,294	(967,294)
Interest	-	-	122,531	(122,531)
Total Expenditures	<u>84,750,580</u>	<u>97,588,844</u>	<u>81,312,655</u>	<u>16,276,189</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>711,218</u>	<u>7,986,049</u>	<u>23,247,027</u>	<u>15,260,978</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(581,855)</u>	<u>(581,857)</u>	<u>(581,855)</u>	<u>2</u>
Net Financing Sources (Uses)	<u>(581,855)</u>	<u>(581,857)</u>	<u>(581,855)</u>	<u>2</u>
<b>Net Change in Fund Balance</b>	129,363	7,404,192	22,665,172	15,260,980
<b>Fund Balance - Beginning of Year</b>	25,579,824	25,579,824	25,626,325	46,501
<b>Fund Balance - End of Year</b>	<u>\$ 25,709,187</u>	<u>\$ 32,984,016</u>	<u>\$ 48,291,497</u>	<u>\$ 15,307,481</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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.2674%	0.2725%	0.2542%	0.2839%	0.2863%	0.2674%	0.2629%	0.2722%	0.2486%	N/A
District's proportionate share of the net pension liability (asset)	\$185,824,942	\$124,026,266	\$246,343,773	\$256,400,777	\$263,171,088	\$247,331,021	\$212,619,782	\$183,229,918	\$145,264,393	N/A
State's proportionate share of the net pension liability (asset) associated with the District	113,329,805	91,959,609	175,115,375	144,743,860	143,233,406	152,177,171	128,453,909	101,241,699	84,681,976	N/A
Total	<u>\$299,154,747</u>	<u>\$215,985,875</u>	<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>
District's covered payroll**	170,720,160	160,135,368	156,488,433	152,591,388	152,068,960	141,405,525	130,607,697	125,770,927	110,149,188	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	108.85%	77.45%	157.42%	168.03%	173.06%	174.91%	162.79%	145.69%	131.88%	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 34,904,151	\$ 28,885,851	\$ 25,861,862	\$ 26,759,522	\$ 24,841,878	\$ 21,943,551	\$ 17,788,815	\$ 14,014,206	\$ 11,168,458	N/A
Contributions in relation to the contractually required contribution	<u>(34,904,151)</u>	<u>(28,885,851)</u>	<u>(25,861,862)</u>	<u>(26,759,522)</u>	<u>(24,841,878)</u>	<u>(21,943,551)</u>	<u>(17,788,815)</u>	<u>(14,014,206)</u>	<u>(11,168,458)</u>	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>
District's covered payroll**	\$182,744,246	\$170,720,160	\$160,135,368	\$156,488,433	\$152,591,388	\$152,068,960	\$141,405,525	\$130,607,697	\$125,770,927	N/A
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.3527%	0.3613%	0.3665%	0.3733%	0.3693%	0.3667%	0.3580%	0.3595%	0.3469%	N/A
District's proportionate share of the net pension liability (asset)	\$121,377,360	\$ 73,472,777	\$112,445,496	\$108,807,439	\$ 98,461,407	\$ 87,540,013	\$ 70,709,101	\$ 52,997,397	\$ 39,379,678	N/A
District's covered payroll**	\$ 54,769,184	\$ 51,880,657	\$ 53,261,310	\$ 52,247,946	\$ 49,238,021	\$ 47,097,408	\$ 43,354,984	\$ 39,983,840	\$ 36,473,082	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	221.62%	141.62%	211.12%	208.25%	199.97%	185.87%	163.09%	132.55%	107.97%	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 15,452,375	\$ 12,547,620	\$ 10,739,296	\$ 10,503,663	\$ 9,437,024	\$ 7,647,157	\$ 6,540,888	\$ 5,136,265	\$ 4,706,498	N/A
Contributions in relation to the contractually required contribution	<u>(15,452,375)</u>	<u>(12,547,620)</u>	<u>(10,739,296)</u>	<u>(10,503,663)</u>	<u>(9,437,024)</u>	<u>(7,647,157)</u>	<u>(6,540,888)</u>	<u>(5,136,265)</u>	<u>(4,706,498)</u>	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>
District's covered payroll**	\$ 60,908,061	\$ 54,769,184	\$ 51,880,657	\$ 53,261,310	\$ 52,247,946	\$ 49,238,021	\$ 47,097,408	\$ 43,354,984	\$ 39,983,840	N/A
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB liability:										
Service cost	\$ 3,966,471	\$ 5,083,884	\$ 4,318,436	\$ 3,847,278	\$ 2,853,372	\$ 2,953,889	\$ 3,138,563	N/A	N/A	N/A
Interest	2,821,826	1,717,387	1,790,338	1,859,676	2,188,955	1,872,800	1,563,808	N/A	N/A	N/A
Changes of benefit terms	-	1,332,237	1,272,141	846,650	1,164,376	-	-	N/A	N/A	N/A
Experience differences	(585,179)	(1,166,072)	3,827,539	-	47,586	-	-	N/A	N/A	N/A
Changes of assumptions	(9,509,462)	(9,625,205)	4,036,080	2,057,498	6,871,166	(1,935,574)	-	N/A	N/A	N/A
Benefit payments	(2,641,054)	(2,520,916)	(3,007,604)	(2,043,135)	(1,966,958)	(1,638,242)	(1,724,807)	N/A	N/A	N/A
Net change in total OPEB liability	(5,947,398)	(5,178,685)	12,236,930	6,567,967	11,158,497	1,252,873	2,977,564	N/A	N/A	N/A
Total OPEB liability - beginning	65,336,433	70,515,118	58,278,188	51,710,221	40,551,724	39,298,851	36,321,287	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 59,389,035</u>	<u>\$ 65,336,433</u>	<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>	N/A	N/A	N/A
Plan fiduciary net position:										
Contributions - employer	\$ 1,443,421	\$ 1,194,146	\$ 1,972,006	\$ 1,136,897	\$ 995,459	\$ 2,599,144	\$ 3,287,739	N/A	N/A	N/A
Contributions - employee	-	-	-	-	-	-	-	N/A	N/A	N/A
Net investment income	979,049	(2,505,857)	4,430,600	586,126	986,073	1,204,287	1,353,456	N/A	N/A	N/A
Benefit payments	(2,641,054)	(2,520,916)	(3,007,604)	(2,043,135)	(1,966,958)	(1,638,242)	(1,864,078)	N/A	N/A	N/A
Administrative expenses	(7,761)	(9,405)	(9,037)	(8,161)	(8,048)	(8,024)	(6,985)	N/A	N/A	N/A
Other expenses	-	-	-	-	-	-	-	N/A	N/A	N/A
Net change in plan fiduciary net position	(226,345)	(3,842,032)	3,385,965	(328,273)	6,526	2,157,165	2,770,132	N/A	N/A	N/A
Plan fiduciary net position - beginning	16,025,614	19,867,646	16,481,681	16,809,954	16,803,428	14,646,263	11,876,131	N/A	N/A	N/A
Plan fiduciary net position - ending	<u>\$ 15,799,269</u>	<u>\$ 16,025,614</u>	<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>	N/A	N/A	N/A
Net OPEB liability	<u>\$ 43,589,766</u>	<u>\$ 49,310,819</u>	<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>	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total OPEB liability	26.60%	24.53%	28.18%	28.28%	32.51%	41.44%	37.27%			
Covered payroll	252,369,000	244,434,215	206,339,265	207,256,289	201,219,698	184,304,000	184,304,000	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	17.27%	20.17%	24.55%	20.17%	17.34%	12.89%	13.38%	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.

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial determined contributions	\$ -	\$ -	\$ 7,988,957	\$ 6,929,075	\$ -	\$ -	\$ -	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>(1,443,421)</u>	<u>(1,194,146)</u>	<u>(1,972,006)</u>	<u>(1,136,897)</u>	<u>(995,459)</u>	<u>(259,914)</u>	<u>(3,287,739)</u>	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ (1,443,421)</u>	<u>\$ (1,194,146)</u>	<u>\$ 6,016,951</u>	<u>\$ 5,792,178</u>	<u>\$ (995,459)</u>	<u>\$ (259,914)</u>	<u>\$ (3,287,739)</u>	N/A	N/A	N/A
District's covered payroll**	252,369,000	244,434,215	206,339,265	207,256,289	201,219,698	184,304,000	184,304,000	N/A	N/A	N/A
Contributions as a percentage of covered payroll	0.572%	0.489%	0.956%	0.549%	0.495%	0.141%	1.784%	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, 2023

## Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District’s Pupil Transportation Fund (Fund 15) was included with the general fund as the fund did not meet the definition of special revenue fund under GASB Statement No. 54. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only. Below is a table reconciling between the General Fund as reported in the Basic Financial Statements and the General Fund as reported in the Budgetary Comparison Schedule.

General Fund - Basic Financial Statements Ending Fund Balance	\$ 150,737,597
Fund 15 Fund Balance	(231,266)
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 150,506,331</u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ 73,961,051
Fund 15 Net Change in Fund Balance	(8,178)
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u>\$ 73,952,873</u>

## Excess of Expenditures Over Appropriations

As of June 30, 2023, 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>
<b>General Fund:</b>		
Certificated Salaries	\$ 777,399	The District underestimated certificated employee salary increases.
Other Outgo	5,070	The District underestimated other outgo transfers.
Debt Service	117,705	The District did not budget for lease payments as debt service.
<b>Charter School Fund:</b>		
Certificated Salaries	\$ 32,200	The District underestimated certificated employee salary increases.
Classified Salaries	209,230	The District underestimated classified employee salary increases.
Debt Service	1,089,825	The District did not budget for lease payments as debt service.

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, 2023

**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, 2021, was determined with a valuation completed June 30, 2020 (released in May 2021). 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	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
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	07/01/06 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return <sup>(1)</sup>	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/06 - 06/30/15	07/01/15 - 06/30/18	07/01/15 - 06/30/18	07/01/15 - 06/30/18
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return <sup>(1)</sup>	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	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, 2023

**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. Subsequently the CalPERS Board decrease from 7.25% to 7.15% for the school pool valuation occurred in the June 30, 2019, valuation. Finally, the CalPERS board decreased the discount rate from 7.15% to 6.90% for measurement date June 30, 2022 as a result of the 2021 experience study. Additional adjustments were made to mortality and other assumptions based upon the experience study completed in 2021.

**Schedule of District’s Contributions – CalPERS**

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 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	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
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	07/01/97 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/00 - 06/30/19
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.15%	7.15%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	2.75%	2.75%	2.75%
Post-retirement Benefit Increases	2.00% Simple	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 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

# Chula Vista Elementary School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2023

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

- 1) Benefit Changes: There were no benefit changes during the 2022-23 fiscal year.
- 2) Changes in Assumptions: Discount rate has been updated each fiscal year to be consistent with requirements of GASB Statement 75.
- 3) No assets are accumulated in a trust that meets the criteria in GASB No. 75 Paragraph 4.
- 4) 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%
2022	4.15%
2023	4.13%

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

## Combining Statements as Supplementary Information

# Chula Vista Elementary School District

## Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds			Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Associated Student Body Fund	Child Development Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest & Redemption Fund	Debt Service Fund for Blended Component Unit	
<b>Assets</b>									
Cash and Cash Equivalents	\$ 1,086,335	\$ 2,658,395	\$ 14,552,661	\$ 30,897,202	\$ 10,517,301	\$ 2,991,435	\$ 20,004,414	\$ -	\$ 82,707,743
Accounts Receivable	66,801	589,767	7,802,856	97,854	122,293	9,255	-	-	8,688,826
Due from Other Funds	-	-	-	1,077,551	1,028,179	-	-	-	2,105,730
Stores Inventories	-	-	222,449	-	-	-	-	-	222,449
<b>Total Assets</b>	<b>\$ 1,153,136</b>	<b>\$ 3,248,162</b>	<b>\$ 22,577,966</b>	<b>\$ 32,072,607</b>	<b>\$ 11,667,773</b>	<b>\$ 3,000,690</b>	<b>\$ 20,004,414</b>	<b>\$ -</b>	<b>\$ 93,724,748</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>									
Liabilities:									
Accounts Payable	\$ 81,146	\$ 179,429	\$ 844,971	\$ 77,301	\$ 3,140,130	\$ 35,992	\$ -	\$ -	\$ 4,358,969
Due to Other Funds	-	251,912	-	58,710	152	1,074,283	-	-	1,385,057
Unearned Revenue	-	1,488,270	-	-	-	-	-	-	1,488,270
Total Liabilities	81,146	1,919,611	844,971	136,011	3,140,282	1,110,275	-	-	7,232,296
Deferred Inflows of Resources:									
Deferred Rent Income	-	-	-	-	-	-	-	-	-
Fund Balance:									
Nonspendable	-	-	222,448	-	-	-	-	-	222,448
Restricted	1,071,990	1,328,551	21,510,547	31,936,596	8,527,491	1,890,415	20,004,414	-	86,270,004
Total Fund Balance	1,071,990	1,328,551	21,732,995	31,936,596	8,527,491	1,890,415	20,004,414	-	86,492,452
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 1,153,136</b>	<b>\$ 3,248,162</b>	<b>\$ 22,577,966</b>	<b>\$ 32,072,607</b>	<b>\$ 11,667,773</b>	<b>\$ 3,000,690</b>	<b>\$ 20,004,414</b>	<b>\$ -</b>	<b>\$ 93,724,748</b>



# Chula Vista Elementary School District

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

June 30, 2023

	Special Revenue Funds			Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Associated Student Body Fund	Child Development Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest & Redemption Fund	Debt Service Fund for Blended Component Unit	
<b>Revenues</b>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,318,924	\$ -	\$ 19,318,924
Federal Revenue	-	-	13,070,462	-	-	-	-	-	13,070,462
Other State Revenue	-	5,115,510	10,694,846	-	-	3,033,503	-	-	18,843,859
Interest	-	41,644	12	720,392	233,320	10,307	234,419	-	1,240,094
Fair Market Value Adjustment	-	(44,809)	(1)	10,492	(36,037)	(82,874)	13,975	-	(139,254)
Other Local Revenue	1,455,276	-	386,698	628,111	1,906,119	-	(44,220)	-	4,331,984
<b>Total Revenues</b>	<b>\$ 1,455,276</b>	<b>\$ 5,112,345</b>	<b>\$ 24,152,017</b>	<b>\$ 1,358,995</b>	<b>\$ 2,103,402</b>	<b>\$ 2,960,936</b>	<b>\$ 19,523,098</b>	<b>\$ -</b>	<b>\$ 56,666,069</b>
<b>Expenditures</b>									
<b>Current Expenditures:</b>									
Instruction	-	3,924,433	-	-	-	-	-	-	3,924,433
Instruction - Related Services	-	761,485	-	-	-	-	-	-	761,485
Pupil Services	-	121,351	16,084,722	-	-	-	-	-	16,206,073
Ancillary Services	1,234,418	-	-	-	-	-	-	-	1,234,418
General Administration	-	193,620	358,426	-	-	-	-	-	552,046
Plant Services	-	34,668	-	165,040	218,978	-	-	-	418,686
Capital Outlay	-	103,009	281,710	4,897,710	3,661,412	-	-	-	8,943,841
<b>Debt Service:</b>									
Principal	-	-	-	480,000	-	-	17,562,000	11,680,000	29,722,000
Interest	-	-	-	101,855	-	-	4,649,241	5,961,767	10,712,863
<b>Total Expenditures</b>	<b>1,234,418</b>	<b>5,138,566</b>	<b>16,724,858</b>	<b>5,644,605</b>	<b>3,880,390</b>	<b>-</b>	<b>22,211,241</b>	<b>17,641,767</b>	<b>72,475,845</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,858	(26,221)	7,427,159	(4,285,610)	(1,776,988)	2,960,936	(2,688,143)	(17,641,767)	(15,809,776)
<b>Other Financing Sources (Uses):</b>									
Transfers In	-	-	-	1,656,138	-	-	-	17,641,767	19,297,905
Transfers Out	-	-	-	-	-	(1,074,283)	-	-	(1,074,283)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,656,138</b>	<b>-</b>	<b>(1,074,283)</b>	<b>-</b>	<b>17,641,767</b>	<b>18,223,622</b>
Net Change in Fund Balance	220,858	(26,221)	7,427,159	(2,629,472)	(1,776,988)	1,886,653	(2,688,143)	-	2,413,846
Fund Balance, Beginning of Year	851,132	1,354,772	14,305,836	34,566,068	10,304,479	3,762	22,692,557	-	84,078,606
<b>Fund Balance, End of Year</b>	<b>\$ 1,071,990</b>	<b>\$ 1,328,551</b>	<b>\$ 21,732,995</b>	<b>\$ 31,936,596</b>	<b>\$ 8,527,491</b>	<b>\$ 1,890,415</b>	<b>\$ 20,004,414</b>	<b>\$ -</b>	<b>\$ 86,492,452</b>

## Other Supplementary Information

# Chula Vista Elementary School District

Local Education Agency Organization Structure

June 30, 2023

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 Transitional kindergarten through grade six district in the state. In addition, the District has authorized seven charter schools which collectively serve students in grades transitional kindergarten through twelfth grade.

## GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Lucy Ugarte	President	Four Year Term Expires December 2024
Francisco Tamayo	Vice President	Four Year Term Expires December 2026
Cesar T. Fernandez	Clerk	Four Year Term Expires December 2026
Kate Bishop	Member	Four Year Term Expires December 2024
Delia Dominguez Cervantes	Member	Four Year Term Expires December 2026

## ADMINISTRATION

Eduardo Reyes, Ed.D.  
Superintendent

Oscar Esquivel  
Deputy Superintendent

Jason Romero  
Assistant Superintendent  
Human Resources

Matthew Tessier, Ed.D  
Assistant Superintendent  
Innovation & Instruction

# Chula Vista Elementary School District

Schedule of Average Daily Attendance  
Year Ended June 30, 2023

## Chula Vista Elementary School District

	Second Period Report		Annual Report	
	Certificate #8E1045FF		Certificate #5BEB9BB5	
	Original	Revised	Original	Revised
<b>TK/K-3</b>				
Regular ADA	11,695.70	N/A	11,747.42	N/A
Extended Year Special Education	5.72	N/A	5.72	N/A
Nonpublic, Nonsectarian Schools	0.78	N/A	1.09	N/A
Extended Year - Nonpublic	0.45	N/A	0.45	N/A
<b>Total TK/K-3</b>	<b>11,702.65</b>	<b>N/A</b>	<b>11,754.68</b>	<b>N/A</b>
<b>Grades 4-6</b>				
Regular ADA	9,073.55	N/A	9,144.43	N/A
Extended Year Special Education	5.23	N/A	5.23	N/A
Nonpublic, Nonsectarian Schools	5.75	N/A	5.52	N/A
Extended Year - Nonpublic	0.69	N/A	0.69	N/A
<b>Total Grades 4-6</b>	<b>9,085.22</b>	<b>N/A</b>	<b>9,155.87</b>	<b>N/A</b>
<b>Total ADA</b>	<b>20,787.87</b>	<b>N/A</b>	<b>20,910.55</b>	<b>N/A</b>

## Arroyo Vista Charter School

	Second Period Report		Annual Report	
	Certificate #8ED4692F		Certificate #E8EBC963	
	Original	Revised	Original	Revised
<b>TK/K-3</b>				
Regular ADA - Classroom Based	419.26	N/A	419.51	N/A
<b>Total TK/K-3</b>	<b>419.26</b>	<b>N/A</b>	<b>419.51</b>	<b>N/A</b>
<b>Grades 4-6</b>				
Regular ADA - Classroom Based	308.07	N/A	310.10	N/A
<b>Total Grades 4-6</b>	<b>308.07</b>	<b>N/A</b>	<b>310.10</b>	<b>N/A</b>
<b>Grades 7-8</b>				
Regular ADA - Classroom Based	162.47	N/A	162.28	N/A
<b>Total Grades 7-8</b>	<b>162.47</b>	<b>N/A</b>	<b>162.28</b>	<b>N/A</b>
<b>Total ADA</b>	<b>889.80</b>	<b>N/A</b>	<b>891.89</b>	<b>N/A</b>

# Chula Vista Elementary School District

Schedule of Average Daily Attendance, Continued

Year Ended June 30, 2023

## Chula Vista Learning Community Charter School

	Second Period Report		Annual Report	
	Certificate #2BBEE710		Certificate #118CF377	
	Original	Revised	Original	Revised
TK/K-3				
Regular ADA - Classroom Based	424.70	N/A	423.52	N/A
Total TK/K-3	424.70	N/A	423.52	N/A
Grades 4-6				
Regular ADA - Classroom Based	299.52	N/A	298.42	N/A
Total Grades 4-6	299.52	N/A	298.42	N/A
Grades 7-8				
Regular ADA - Classroom Based	263.43	N/A	262.17	N/A
Total Grades 7-8	263.43	N/A	262.17	N/A
Grades 9-12				
Regular ADA - Classroom Based	384.25	N/A	382.96	N/A
Total Grades 9-12	384.25	N/A	382.96	N/A
Total ADA	1,371.90	N/A	1,367.07	N/A

## Discovery Charter School

	Second Period Report		Annual Report	
	Certificate #7A73B611		Certificate #3BEEB9AC	
	Original	Revised	Original	Revised
TK/K-3				
Regular ADA - Classroom Based	495.93	N/A	496.35	N/A
Total TK/K-3	495.93	N/A	496.35	N/A
Grades 4-6				
Regular ADA - Classroom Based	333.55	N/A	333.47	N/A
Total Grades 4-6	333.55	N/A	333.47	N/A
Grades 7-8				
Regular ADA - Classroom Based	98.80	N/A	98.51	N/A
Total Grades 7-8	98.80	N/A	98.51	N/A
Total ADA	928.28	N/A	928.33	N/A

# Chula Vista Elementary School District

Schedule of Average Daily Attendance, Continued

Year Ended June 30, 2023

## Feaster Charter School

	Second Period Report		Annual Report	
	Certificate #276D77D9		Certificate #F2AF225	
	Original	Revised	Original	Revised
TK/K-3				
Regular ADA - Classroom Based	465.16	N/A	467.15	N/A
Total TK/K-3	465.16	N/A	467.15	N/A
Grades 4-6				
Regular ADA - Classroom Based	390.84	N/A	391.68	N/A
Total Grades 4-6	390.84	N/A	391.68	N/A
Grades 7-8				
Regular ADA - Classroom Based	184.08	N/A	183.16	N/A
Total Grades 7-8	184.08	N/A	183.16	N/A
Total ADA	1,040.08	N/A	1,041.99	N/A

## Mueller Charter School

	Second Period Report		Annual Report	
	Certificate #36BEDD9F		Certificate #85BD4AD0	
	Original	Revised	Original	Revised
TK/K-3				
Regular ADA - Classroom Based	420.96	N/A	423.15	N/A
Total TK/K-3	420.96	N/A	423.15	N/A
Grades 4-6				
Regular ADA - Classroom Based	348.54	N/A	349.54	N/A
Total Grades 4-6	348.54	N/A	349.54	N/A
Grades 7-8				
Regular ADA - Classroom Based	190.30	N/A	190.25	N/A
Total Grades 7-8	190.30	N/A	190.25	N/A
Grades 9-12				
Regular ADA - Classroom Based	539.69	N/A	540.32	N/A
Total Grades 9-12	539.69	N/A	540.32	N/A
Total ADA	1,499.49	N/A	1,503.26	N/A

# **Chula Vista Elementary School District**

Schedule of Average Daily Attendance, Continued

Year Ended June 30, 2023

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N/A – There were no audit findings which resulted in revisions to average daily attendance (ADA).

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

## Chula Vista Elementary School District

### Schedule of Instructional Time

Year Ended June 30, 2023

#### Chula Vista Elementary School District

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	51,700	0	51,700	180	0	180	Complied
Kindergarten	36,000	51,900	0	51,900	180	0	180	Complied
1st Grade	50,400	50,500	0	50,500	180	0	180	Complied
2nd Grade	50,400	50,500	0	50,500	180	0	180	Complied
3rd Grade	50,400	50,500	0	50,500	180	0	180	Complied
4th Grade	54,000	54,000	0	54,000	180	0	180	Complied
5th Grade	54,000	54,000	0	54,000	180	0	180	Complied
6th Grade	54,000	54,000	0	54,000	180	0	180	Complied

#### Arroyo Vista Charter School

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	57,600	0	57,600	180	0	180	Complied
Kindergarten	36,000	57,600	0	57,600	180	0	180	Complied
1st Grade	50,400	52,950	0	52,950	180	0	180	Complied
2nd Grade	50,400	52,950	0	52,950	180	0	180	Complied
3rd Grade	50,400	52,950	0	52,950	180	0	180	Complied
4th Grade	54,000	54,900	0	54,900	180	0	180	Complied
5th Grade	54,000	54,900	0	54,900	180	0	180	Complied
6th Grade	54,000	54,900	0	54,900	180	0	180	Complied
7th Grade	54,000	61,350	0	61,350	180	0	180	Complied
8th Grade	54,000	61,350	0	61,350	180	0	180	Complied



# Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2023

## Chula Vista Learning Community Charter School

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	61,620	0	61,620	180	0	180	Complied
Kindergarten	36,000	61,620	0	61,620	180	0	180	Complied
1st Grade	50,400	58,920	0	58,920	180	0	180	Complied
2nd Grade	50,400	58,920	0	58,920	180	0	180	Complied
3rd Grade	50,400	58,920	0	58,920	180	0	180	Complied
4th Grade	54,000	58,920	0	58,920	180	0	180	Complied
5th Grade	54,000	58,920	0	58,920	180	0	180	Complied
6th Grade	54,000	58,920	0	58,920	180	0	180	Complied
7th Grade	54,000	58,920	0	58,920	180	0	180	Complied
8th Grade	54,000	58,920	0	58,920	180	0	180	Complied
9th Grade	64,800	64,800	0	64,800	180	0	180	Complied
10th Grade	64,800	64,800	0	64,800	180	0	180	Complied
11th Grade	64,800	64,800	0	64,800	180	0	180	Complied
12th Grade	64,800	64,800	0	64,800	180	0	180	Complied

# Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2023

## Discovery Charter School

<u>Grade Level</u>	<u>Annual Minutes Requirement</u>	<u>Actual Minutes Offered</u>	<u>J-13A Minutes</u>	<u>Total Minutes</u>	<u>Number of Actual Days Offered (Traditional)</u>	<u>J-13A Days</u>	<u>Total Instructional Days</u>	<u>Status</u>
Transitional Kindergarten	36,000	54,150	0	54,150	180	0	180	Complied
Kindergarten	36,000	56,850	0	56,850	180	0	180	Complied
1st Grade	50,400	54,150	0	54,150	180	0	180	Complied
2nd Grade	50,400	54,150	0	54,150	180	0	180	Complied
3rd Grade	50,400	54,150	0	54,150	180	0	180	Complied
4th Grade	54,000	54,150	0	54,150	180	0	180	Complied
5th Grade	54,000	54,150	0	54,150	180	0	180	Complied
6th Grade	54,000	54,150	0	54,150	180	0	180	Complied
7th Grade	54,000	56,700	0	56,700	180	0	180	Complied
8th Grade	54,000	56,700	0	56,700	180	0	180	Complied

## Feaster Charter School

<u>Grade Level</u>	<u>Annual Minutes Requirement</u>	<u>Actual Minutes Offered</u>	<u>J-13A Minutes</u>	<u>Total Minutes</u>	<u>Number of Actual Days Offered (Traditional)</u>	<u>J-13A Days</u>	<u>Total Instructional Days</u>	<u>Status</u>
Transitional Kindergarten	36,000	65,070	0	65,070	180	0	180	Complied
Kindergarten	36,000	57,870	0	57,870	180	0	180	Complied
1st Grade	50,400	57,870	0	57,870	180	0	180	Complied
2nd Grade	50,400	57,870	0	57,870	180	0	180	Complied
3rd Grade	50,400	57,870	0	57,870	180	0	180	Complied
4th Grade	54,000	57,870	0	57,870	180	0	180	Complied
5th Grade	54,000	57,870	0	57,870	180	0	180	Complied
6th Grade	54,000	57,870	0	57,870	180	0	180	Complied
7th Grade	54,000	59,670	0	59,670	180	0	180	Complied
8th Grade	54,000	59,670	0	59,670	180	0	180	Complied

# Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2023

## Mueller Charter School

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	57,160	0	57,160	180	0	180	Complied
Kindergarten	36,000	57,160	0	57,160	180	0	180	Complied
1st Grade	50,400	55,560	0	55,560	180	0	180	Complied
2nd Grade	50,400	55,560	0	55,560	180	0	180	Complied
3rd Grade	50,400	55,560	0	55,560	180	0	180	Complied
4th Grade	54,000	55,560	0	55,560	180	0	180	Complied
5th Grade	54,000	55,560	0	55,560	180	0	180	Complied
6th Grade	54,000	55,560	0	55,560	180	0	180	Complied
7th Grade	54,000	61,500	0	61,500	180	0	180	Complied
8th Grade	54,000	61,500	0	61,500	180	0	180	Complied
9th Grade	64,800	64,815	0	64,815	180	0	180	Complied
10th Grade	64,800	64,815	0	64,815	180	0	180	Complied
11th Grade	64,800	64,815	0	64,815	180	0	180	Complied
12th Grade	64,800	64,815	0	64,815	180	0	180	Complied

## Chula Vista Elementary School District

Schedule of Instructional Time, Continued

Year Ended June 30, 2023

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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

# Chula Vista Elementary School District

## Schedule of Financial Trends and Analysis

Year Ended June 30, 2023

General Fund	Budget 2024 (See Note 1)	2023	2022	2021
Revenues and Other Financing Sources	\$ 402,288,243	\$ 430,701,500	\$ 346,944,964	\$ 324,410,365
Expenditures and Other Financing Uses	<u>366,541,078</u>	<u>356,748,627</u>	<u>326,264,168</u>	<u>312,413,509</u>
Net Change in Fund Balance	<u>35,747,165</u>	<u>73,952,873</u>	<u>20,680,796</u>	<u>11,996,856</u>
Ending Fund Balance	<u>\$ 186,253,496</u>	<u>\$ 150,506,331</u>	<u>\$ 76,553,458</u>	<u>\$ 55,872,662</u>
Available Reserves (See Note 2)	<u>\$ 40,408,044</u>	<u>\$ 32,645,950</u>	<u>\$ 50,312,970</u>	<u>\$ 41,067,633</u>
Available Reserves as a Percentage of Total Outgo	<u>11.02%</u>	<u>9.15%</u>	<u>15.42%</u>	<u>13.15%</u>
Long Term Debt	<u>\$ 365,864,526</u>	<u>\$ 395,266,339</u>	<u>\$ 427,044,361</u>	<u>\$ 383,068,440</u>
Average Daily Attendance at P2 (See Note 3)	<u>26,517</u>	<u>26,517</u>	<u>26,014</u>	<u>28,344</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 \$94,633,669 (169.3%) over the past two years. The fiscal year 2023-24 budget projects an increase of \$35,747,165 (23.75%). 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 \$12,197,899 over the past two years.

Average daily attendance (ADA) has decreased by 1,827 as compared to ADA funded in 2020-21. 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 ADA reported.

Notes:

1. Budget 2024 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.
4. As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District’s Pupil Transportation Fund (Fund 15) does not meet the definition of a special revenue fund and was therefore combined with the General Fund for financial statement reporting. The above Schedule of Financial Trends and Analysis contains only the financial information of the General Fund.

# Chula Vista Elementary School District

## Reconciliation of Annual Financial and Budget Report with Audited Financial Statements Year Ended June 30, 2023

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	General Fund (Fund 01)	Pupil Transportation Fund (Fund 15)
June 30, 2023, annual financial and budget report fund balances	<u>\$ 150,506,331</u>	<u>\$ 231,266</u>
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
GASB 54 Fund Presentation	<u>231,266</u>	<u>(231,266)</u>
Net adjustments and reclassifications	<u>231,266</u>	<u>(231,266)</u>
June 30, 2023, audited financial statement fund balances	<u>\$ 150,737,597</u>	<u>\$ -</u>

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, 2023

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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
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, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
National School Lunch Program	10.553	13525	\$ -	\$ 10,469,351
School Breakfast Program	10.555	13396	-	2,459,714
Food Service Program - Noncash Commodities	10.559	13396	-	141,397
Total Child Nutrition Cluster			-	13,070,462
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	6,227,158
IDEA Local Assistance - Private Schools	84.027	10115	-	32,688
IDEA Assistance Entitlement	84.027	15638	-	1,260,351
IDEA Mental Health	84.027	13430	-	340,492
IDEA Preschool Grants	84.173	15197	-	449,514
IDEA Preschool Staff Development	84.173	13431	-	5,202
Total Special Education (IDEA) Cluster			-	8,315,405
<b>OTHER PROGRAMS:</b>				
<u>U.S. Department of Defense</u>				
Direct Program				
Military Connected Academic Support Program	12.556	-	-	196,347
<u>U.S. Department of Health and Human Services</u>				
Passed through California Department of Education				
Child Care and Development	93.575	10163	-	470,298
<u>U.S. Department of Education</u>				
Direct Program:				
Impact Aid	84.041	-	-	1,600,375
Passed through California Department of Education				
Title I	84.010	14329	-	6,810,772
Title III English Learner Student Program	84.365	14346	-	802,974
Title III Immigrant Education & LEP	84.365	15146	-	15,747
Title II Supporting Effective Instruction	84.367	14341	-	956,408
Title IV Student Support Academic Enrichment	84.424	15396	-	638,475
American Rescue Plan - Homeless Children and Youth II	84.425	15566	-	8,761
ESSER II - State Reserve	84.425	15618	-	531,514
GEER II	84.425	15919	-	638,611
ESSER III - State Reserve, Emergency Needs	84.425	15620	-	183,710
ESSER III - State Reserve, Learning Loss	84.425	15621	-	258,667
Governor's Emergency Education Relief Fund (GEER)	84.425C	15517	-	2,208
Elementary & Secondary School Emergency Relief (ESSER)	84.425D	15536	-	5,723
ESSER II	84.425D	15547	-	5,707,728
ESSER III	84.425D	15559	-	20,271,755
ESSER III - Learning Loss	84.425U	10155	-	3,635,451
Total Other Programs			-	42,735,524
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ -	\$ 64,121,391

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, 2023

## Basis of Presentation

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

## Summary of Significant Accounting Policies

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

## Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 4.16% 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*.

<u>Program</u>	<u>AL #</u>	<u>Indirect Cost Rate</u>
Elementary & Secondary School Emergency Relief (ESSER)	84.425D	3.74%
ESSER II	84.425D	3.68%
Governor's Emergency Education Relief Fund (GEER)	84.425C	3.41%
IDEA Assistance Entitlement	84.027	3.22%
IDEA Local Assistance, Private Schools	84.027	0.66%
IDEA Preschool Grants	84.173	2.35%
IDEA Mental Health	84.027	3.32%
IDEA Preschool Staff Development	84.173	4.11%

## 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 it’s schoolwide programs:

<u>Program</u>	<u>AL #</u>	<u>Amount Expended</u>
Title I	84.010	\$ 6,810,772

## 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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chula Vista Elementary School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2023.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

## Purpose of this Report

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



El Cajon, California  
December 15, 2023

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

To the Board of Education  
Chula Vista Elementary School District

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

**Opinion on Each Major Federal Program**

We have audited the Chula Vista Elementary School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the District complied, in all material respects, with the 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, 2023.

**Basis for Opinion on Each Major Federal Program**

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

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

**Responsibilities of Management for Compliance**

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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

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

*Wilkinson Hadley King & Co. LLP*

El Cajon, California  
December 15, 2023

Independent Auditor's Report on State Compliance and on  
Internal Control over State Compliance

To the Board of Education  
Chula Vista Elementary School District

**Report on Compliance for Applicable State Programs**

**Opinion on Each Applicable State Program**

We have audited the Chula Vista Elementary School District's (the District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2023.

**Basis for Opinion on Each Applicable State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibilities of Management for Compliance**

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.



The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of each applicable state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District’s internal control over state compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following programs:

	<u>Procedures Performed</u>
<b><u>Local Education Agencies Other than Charter Schools</u></b>	
A. Attendance.....	Yes
B. Teacher Certification and Misassignments.....	Yes
C. Kindergarten Continuance.....	Yes
D. Independent Study.....	Yes
E. Continuation Education.....	N/A
F. Instructional Time.....	Yes
G. Instructional Materials.....	Yes
H. Ratio of Administrative Employees to Teachers.....	Yes
I. Classroom Teacher Salaries.....	Yes
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	Yes
L. School Accountability Report Card.....	Yes
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	Yes
P. Transportation Maintenance of Effort.....	Yes
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	Yes
S. District of Choice.....	N/A
TT. Home to School Transportation Reimbursement.....	Yes
UU. Independent Study Certification for ADA Loss Mitigation.....	Yes

		Procedures Performed
<b><u>School Districts, County Offices of Education, and Charter Schools</u></b>		
T.	California Clean Energy Jobs Act.....	N/A
U.	After/Before School Education and Safety Program.....	Yes
V.	Proper Expenditure of Education Protection Account Funds.....	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X.	Local Control and Accountability Plan.....	Yes
Y.	Independent Study - Course Based.....	N/A
Z.	Immunizations.....	Yes
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ.	Career Technical Education Incentive Grant.....	N/A
DZ.	In Person Instruction Grant.....	Yes
EZ.	Transitional Kindergarten.....	Yes
<b><u>Charter Schools</u></b>		
AA.	Attendance.....	Yes
BB.	Mode of Instruction.....	Yes
CC.	Nonclassroom-Based Instruction/Independent Study.....	N/A
DD.	Determination of Funding for Nonclassroom-Based Instruction..	N/A
EE.	Annual Instructional Minutes - Classroom Based.....	Yes
FF.	Charter School Facility Grant Program.....	N/A

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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

**Report on Internal Control over State 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 state 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2022-23 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.

*William Hadley King & Co. LLP*

El Cajon, California  
December 15, 2023

## Auditor's Results, Findings & Recommendations

# Chula Vista Elementary School District

Schedule of Auditor's Results

Year Ended June 30, 2023

## 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 May 2023

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

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
84.424	Title IV Student Support Academic Enrichment
84.425	American Rescue Plan - Homeless Children and Youth II
84.425C	Governor's Emergency Education Relief Fund (GEER)
84.425D	Elementary & Secondary School Emergency Relief (ESSER)
84.425D	ESSER II
84.425D	ESSER III
84.425U	ESSER III - Learning Loss
84.425	ESSER II - State Reserve
84.425	ESSER III - State Reserve, Emergency Needs
84.425	ESSER III - State Reserve, Learning Loss

Dollar threshold used to distinguish between Type A and Type B programs \$1,923,642

Auditee qualified as low-risk auditee?   X   Yes        No

**Chula Vista Elementary School District**

Schedule of Auditor's Results, Continued

Year Ended June 30, 2023

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**STATE AWARDS**

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

Internal control over applicable state 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

Any audit findings disclosed that are required to be reported in accordance with *2022-23 Guide for Annual Audits of California K-12 Local Education Agencies*?        Yes   X   No

# Chula Vista Elementary School District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2022-23 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

None

# Chula Vista Elementary School District

## Schedule of Prior Year Audit Findings

Year Ended June 30, 2023

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<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
<b>Finding 2022-001</b> <b>School Accountability Report Card</b>		
<u>Condition:</u> In our review of the SARC reports, we noted two school sites with FIT information that did not agree.		
<u>Recommendation:</u> We recommended to update the incorrect SARC reports and establish a procedure to ensure information in the published SARC reports is up to date with all information provided by the District.	Implemented	