Financial Statements
June 30, 2021

Coachella Valley Unified School District

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Governing Board
Coachella Valley Unified School District
Thermal, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coachella Valley Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coachella Valley Unified School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle
As discussed in Notes 1 and 15 to the financial statements, Coachella Valley Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on page 71, schedule of changes in the District's total OPEB liability and related ratios on page 72, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 73, schedule of the District's proportionate share of the net pension liability on page 74, and the schedule of District contributions on page 75, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coachella Valley Unified School District's financial statements. The combining non-major governmental fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2022 on our consideration of Coachella Valley Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Coachella Valley Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coachella Valley Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
January 31, 2022

COACHELLA VALLEY UNIFIED SCHOOL DISTRICT

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This section of Coachella Valley Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Coachella Valley Unified School District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows, as well as all liabilities (including long-term liabilities) and deferred inflows. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

Governmental Activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental, and proprietary.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

- The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Coachella Valley Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we show the District's activities as follows:

Governmental Activities - Most of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities - such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

The District was able to maintain a strong ending balance in the combined General Fund. This resulted from careful control of expenditures, including the one-time funding in response to the pandemic. In addition, these one-time dollars provided the resources to continue educational services and support on-going cost.

The 2020-2021 school year began with students continuing their education thru distance learning, a unique and innovative way of learning with mobile devices in the hands of students and staff members. In anticipation for the return to in-person learning, an extensive summer school was implemented District wide.

As has been the practice of the District, Coachella Valley Unified School District does not reallocate categorical program carryover from the prior year until the financial records for the prior year are closed. Consequently, the original budget may not include all available revenues or expenditures related to categorical carryover, while the subsequent budget revisions and actual results reflect these carryovers.

THE DISTRICT AS A WHOLE

Net Position

The District's net position (deficit) was $(21,671,756) for the fiscal year ended June 30, 2021. Of this amount, $(294,178,816) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants grantors, constitutional provisions and enabling legislation that limit the governing board's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020 as restated
Assets		
Current and other assets	$ 184,832,293	$ 170,321,899
Capital assets	456,924,496	440,733,344
Total assets	641,756,789	611,055,243
Deferred outflows of resources	76,264,649	76,613,592
Liabilities		
Current liabilities	35,665,753	23,906,764
Long-term liabilities	678,252,840	664,131,169
Total liabilities	713,918,593	688,037,933
Deferred inflows of resources	25,774,601	26,955,351
Net Position		
Net investment in capital assets	214,380,694	212,017,181
Restricted	58,126,366	44,260,578
Unrestricted (deficit)	(294,178,816)	(283,602,208)
Total net position (deficit)	$ (21,671,756)	$ (27,324,449)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 14 Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2021	2020*
Revenues		
Program revenues		
Charges for services	$ 2,093,846	$ 2,187,406
Operating grants and contributions	98,708,136	66,720,174
Capital grants and contributions	3,712	839,349
General revenues		
Federal and State aid not restricted	168,739,499	171,233,544
Property taxes	60,366,739	57,696,269
Other general revenues	9,189,677	4,065,099
Total revenues	339,101,609	302,741,841
Expenses		
Instruction-related	236,295,327	220,094,240
Pupil services	39,987,980	40,622,393
Administration	20,019,238	12,820,570
Plant services	20,907,043	21,201,176
All other services	16,239,328	16,164,185
Total expenses	333,448,916	310,902,564
Change in net position	$ 5,652,693	$ (8,160,723)

*The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB Statement No. 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 14, the cost of all of our governmental activities this year was $333,448,916. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $60,366,739 because the cost was paid by those who benefited from the programs ($2,093,846) or by other governments and organizations who subsidized certain programs with grants and contributions ($98,711,848) We paid for the remaining "public benefit" portion of our governmental activities with $168,739,499 in Federal and State unrestricted funds and with other revenues, such as interest and general entitlements ($9,189,677).

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction including, special instruction programs and other instructional programs, pupil services, administration, plant services, and all other functions. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2021	2020*	2021	2020*
Instruction-related	$ 236,295,327	$ 220,094,240	$ 165,023,153	$ 172,964,360
Pupil services	39,987,980	40,622,393	21,696,745	22,704,541
Administration	20,019,238	12,820,570	11,739,219	11,148,415
Plant services	20,907,043	21,201,176	20,766,040	20,989,398
All other services	16,239,328	16,164,185	13,418,065	13,348,921
Total	$ 333,448,916	$ 310,902,564	$ 232,643,222	$ 241,155,635

*The total and net cost of services for fiscal year 2020 were not restated to show the effects of GASB Statement No. 84 for comparative purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $149,296,632, which is an increase of $1,821,707 from last year.

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2020 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2021
General Fund	$ 31,908,952	$ 284,214,342	$ 264,763,997	$ 51,359,297
Student Activity Fund	854,779	132,696	247,435	740,040
Adult Education Fund	1,141,820	3,139,408	2,918,306	1,362,922
Child Development Fund	53,679	4,910,348	4,857,776	106,251
Cafeteria Fund	1,735,799	15,432,434	14,345,261	2,822,972
Deferred Maintenance Fund	540,258	400,957	-	941,215
Building Fund	65,188,810	255,076	25,077,068	40,366,818
Capital Facilities Fund	12,203,490	4,925,809	817,400	16,311,899
County School Facilities Fund	1,028,542	3,752	834,298	197,996
Special Reserve Fund for Capital Outlay Projects	10,511,032	5,384,191	3,418,729	12,476,494
Capital Projects Fund for Blended Component Units	385,376	39,492	3,112	421,756
Bond Interest and Redemption Fund	21,922,388	17,825,645	17,559,061	22,188,972
Total	$ 147,474,925	$ 336,664,150	$ 334,842,443	$ 149,296,632

The primary reasons for these increases/decreases are:

The increase of $19.5 million in the General Fund was a result of the various cost saving measures taken by the District to improve the District's overall financial health, *as well as one-time COVID related funding carryover.* The increase of $1 million in Cafeteria Funds *continues to be the* result of cost saving measures taken by the District to address the program's structural deficit. The decrease of *$*24.8 million in the Building Fund resulted from continued construction costs incurred related to the new Palm View Elementary.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget to deal with changes brought about by anticipated increases or decreases in revenues and expenditures. The final revision to the 2020-2021 Budget, Estimated Actuals, was adopted on June 30, 2021.

Significant revenue revisions made to the 2020-2021 budget were due to changes in various categorical programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had $456,924,496 in a broad range of capital assets (net of depreciation), including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $16,191,152, or 3.67 percent, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	$ 165,331,366	$ 139,084,858
Buildings and improvements	281,880,392	291,634,209
Equipment	9,712,738	10,014,277
Total	$ 456,924,496	$ 440,733,344

Financing for these capital projects came from general obligation bonds. State construction match funding certificates of participation, redevelopment revenues, and General Funds.

Long-Term Liabilities

At the end of this year, the District had $678,252,840 in long-term liabilities outstanding versus $664,131,169 last year, an increase of $14,121,671 or 2.13 percent. These long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	$ 274,227,713	$ 279,222,355
Unamortized premiums	10,076,456	10,778,846
Certificates of participation	19,985,000	20,665,000
Unamortized premiums	594,262	636,709
Capital leases	7,937,317	8,365,368
Lease financing	14,520,000	15,505,000
Compensated absences	3,635,158	3,096,057
Other postemployment benefits (OPEB) liability	84,952,684	71,499,005
Aggregate net pension liability	262,324,250	254,362,829
Total	$ 678,252,840	$ 664,131,169

The District's general obligation current bond rating is "A2". The State limits the amount of general obligation debt that Districts can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries.

We present more detailed information regarding our long-term obligations in Note 8, 9 and 12 of the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Please direct questions about this report, or requests for additional financial information to the Assistant Superintendent-Business Services at Coachella Valley Unified School District, 87-225 Church Street, P.O. Box 847, Thermal, California, 92274.

	Governmental Activities
Assets	
Deposits and investments	$ 156,055,764
Receivables	27,809,966
Prepaid expense	463,124
Stores inventories	503,439
Capital assets not depreciated	165,331,366
Capital assets, net of accumulated depreciation	291,593,130
Total assets	641,756,789
Deferred Outflows of Resources	
Deferred amount on refunding	5,403,826
Deferred outflows of resources related to OPEB	10,989,286
Deferred outflows of resources related to pensions	59,871,537
Total deferred outflows of resources	76,264,649
Liabilities	
Accounts payable	20,146,585
Interest payable	4,472,747
Unearned revenue	10,676,509
Claims liabilities	369,912
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	12,626,181
Long-term liabilities other than OPEB and pensions due in more than one year	318,349,725
Other postemployment benefits (OPEB) liability	84,952,684
Aggregate net pension liability	262,324,250
Total liabilities	713,918,593
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	$ 4,306,813
Deferred inflows of resources related to pensions	21,467,788
Total deferred inflows of resources	25,774,601
Net Position	
Net investment in capital assets	214,380,694
Restricted for	
Debt service	17,716,225
Capital projects	16,509,895
Educational programs	15,150,124
Self-insurance	4,342,655
Other activities	4,407,467
Unrestricted (deficit)	(294,178,816)
Total net position (deficit)	$ (21,671,756)

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Change in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 210,362,137	$ (27,949)	$ 66,133,041	$ 3,712	$ (144,253,333)
Instruction-related activities					
Supervision of instruction	5,591,153	12	2,659,429	-	(2,931,712)
Instructional library, media, and technology	8,116	-	3,309	-	(4,807)
School site administration	20,333,921	-	2,500,620	-	(17,833,301)
Pupil services					
Home-to-school transportation	10,617,340	-	-	-	(10,617,340)
Food services	14,814,759	212	15,303,564	-	489,017
All other pupil services	14,555,881	-	2,987,459	-	(11,568,422)
Administration					
Data processing	3,468,224	-	41,500	-	(3,426,724)
All other administration	16,551,014	-	8,238,519	-	(8,312,495)
Plant services	20,907,043	12,401	128,602	-	(20,766,040)
Ancillary services	247,435	132,696	-	-	(114,739)
Interest on long-term liabilities	14,179,553	-	-	-	(14,179,553)
Other outgo	1,812,340	1,976,474	712,093	-	876,227
Total governmental activities	$ 333,448,916	$ 2,093,846	$ 98,708,136	$ 3,712	$ (232,643,222)
General Revenues and Subventions					
Property taxes, levied for general purposes					37,289,554
Property taxes, levied for debt service					17,734,820
Taxes levied for other specific purposes					5,342,365
Federal and State aid not restricted to specific purposes					168,739,499
Interest and investment earnings					234,708
Miscellaneous					8,954,969
Subtotal, general revenues and subventions					238,295,915
Change in Net Position					5,652,693
Net Position - Beginning, as restated					(27,324,449)
Net Position - Ending					$ (21,671,756)

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 53,158,201	$ 42,939,620	$ 22,188,972	$ 32,826,089	$ 151,112,882
Receivables	24,402,429	35,797	-	3,368,222	27,806,448
Due from other funds	1,116,504	-	-	956,017	2,072,521
Prepaid expenditures	463,124	-	-	-	463,124
Stores inventories	19,536	-	-	483,903	503,439
Total assets	$ 79,159,794	$ 42,975,417	$ 22,188,972	$ 37,634,231	$ 181,958,414
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 16,347,392	$ 2,599,903	$ -	$ 947,615	$ 19,894,910
Due to other funds	963,948	8,696	-	1,117,719	2,090,363
Unearned revenue	10,489,157	-	-	187,352	10,676,509
Total liabilities	27,800,497	2,608,599	-	2,252,686	32,661,782
Fund Balances					
Nonspendable	532,660	-	-	485,928	1,018,588
Restricted	15,150,124	40,366,818	22,188,972	21,339,118	99,045,032
Committed	4,895,246	-	-	941,215	5,836,461
Assigned	-	-	-	12,615,284	12,615,284
Unassigned	30,781,267	-	-	-	30,781,267
Total fund balances	51,359,297	40,366,818	22,188,972	35,381,545	149,296,632
Total liabilities and fund balances	$ 79,159,794	$ 42,975,417	$ 22,188,972	$ 37,634,231	$ 181,958,414

Total Fund Balance - Governmental Funds		$ 149,296,632
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 656,758,606	
Accumulated depreciation is	(199,834,110)	
Net capital assets		456,924,496
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(4,472,747)
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		4,342,655
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Deferred amount on refunding	5,403,826	
Other postemployment benefits (OPEB) liability	10,989,286	
Aggregate net pension liability	59,871,537	
Total deferred outflows of resources		76,264,649
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB) liability	(4,306,813)	
Aggregate net pension liability	(21,467,788)	
Total deferred inflows of resources		(25,774,601)

Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(262,324,250)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(84,952,684)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	$ (235,623,167)	
Unamortized premium on general obligation bonds	(10,076,456)	
Certificates of participation	(19,985,000)	
Unamortized premium on certificates of participation	(594,262)	
Capital leases	(7,937,317)	
2011 Lease refunding	(7,940,000)	
2013 Lease refunding	(6,580,000)	
Compensated absences (vacations)	(3,635,158)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(38,604,546)	
Total long-term liabilities		(330,975,906)
Total net position - governmental activities		$ (21,671,756)

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 201,885,700	$ -	$ -	$ -	$ 201,885,700
Federal sources	42,529,810	-	-	18,546,765	61,076,575
Other State sources	29,705,401	-	69,523	4,490,750	34,265,674
Other local sources	10,093,431	255,076	17,756,122	10,605,846	38,710,475
Total revenues	284,214,342	255,076	17,825,645	33,643,361	335,938,424
Expenditures					
Current					
Instruction	177,666,883	-	-	6,169,771	183,836,654
Instruction-related activities					
Supervision of instruction	4,839,949	-	-	295,741	5,135,690
Instructional library, media, and technology	8,116	-	-	-	8,116
School site administration	17,521,960	-	-	683,942	18,205,902
Pupil services					
Home-to-school transportation	9,756,781	-	-	-	9,756,781
Food services	482,197	-	-	13,931,322	14,413,519
All other pupil services	13,158,158	-	-	402,985	13,561,143
Administration					
Data processing	3,281,019	-	-	-	3,281,019
All other administration	15,496,134	-	-	549,796	16,045,930
Plant services	19,988,931	95,707	-	87,786	20,172,424
Ancillary services	-	-	-	247,435	247,435
Other outgo	1,083,502	-	-	3,112	1,086,614
Facility acquisition and construction	48,388	24,981,361	-	1,850,843	26,880,592
Debt service					
Principal	428,051	-	9,835,000	1,665,000	11,928,051
Interest and other	278,202	-	7,724,061	1,554,584	9,556,847
Total expenditures	264,038,271	25,077,068	17,559,061	27,442,317	334,116,717
Excess (Deficiency) of Revenues Over Expenditures	20,176,071	(24,821,992)	266,584	6,201,044	1,821,707
Other Financing Sources (Uses)					
Transfers in	-	-	-	725,726	725,726
Transfers out	(725,726)	-	-	-	(725,726)
Net Financing Sources (Uses)	(725,726)	-	-	725,726	-
Net Change in Fund Balances	19,450,345	(24,821,992)	266,584	6,926,770	1,821,707
Fund Balance - Beginning, as restated	31,908,952	65,188,810	21,922,388	28,454,775	147,474,925
Fund Balance - Ending	$ 51,359,297	$ 40,366,818	$ 22,188,972	$ 35,381,545	$ 149,296,632

Total Net Change in Fund Balances - Governmental Funds		$ 1,821,707
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlays exceed depreciation expense in the period.		
Capital outlays	$ 28,574,603	
Depreciation expense	(12,383,451)	
Net expense adjustment		16,191,152
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(539,101)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net aggregate pension liability during the year.		(14,092,889)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(5,912,492)

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	$ 744,837
Deferred amount on refunding amortization	(577,912)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	9,835,000
Certificates of participation	680,000
Lease refunding	985,000
Capital leases	428,051
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(4,789,631)
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	878,971
Change in net position of governmental activities	$ 5,652,693

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 4,942,882
Receivables	3,518
Due from other funds	17,842
Total current assets	4,964,242
Liabilities	
Current liabilities	
Accounts payable	251,675
Claims liabilities	369,912
Total current liabilities	621,587
Net Position	
Restricted	$ 4,342,655

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	$ 5,005,270
Operating Expenses	
Other operating cost	4,145,333
Operating Income	859,937
Nonoperating Revenues	
Fair market value adjustments	988
Interest income	18,046
Total nonoperating revenues	19,034
Change in Net Position	878,971
Total Net Position - Beginning	3,463,684
Total Net Position - Ending	$ 4,342,655

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash received from assessments made to other funds	$ 4,999,080
Cash payments to other suppliers of goods or services	(4,090,874)
Net Cash From Operating Activities	908,206
Investing Activities	
Interest on investments	19,034
Net Change in Cash and Cash Equivalents	927,240
Cash and Cash Equivalents, Beginning	4,015,642
Cash and Cash Equivalents, Ending	$ 4,942,882
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	$ 859,937
Changes in assets and liabilities	
Receivables	5,463
Due from other fund	(11,653)
Accounts payable	59,273
Claims liability	(4,814)
Net Cash From Operating Activities	$ 908,206

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Coachella Valley Unified School District (the District) was organized on July 1, 1973, under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates fourteen K-6 schools, three 7-8 schools, one 7-12 high school, two four-year high schools, one continuation high school, an adult education extension program, eleven Head Start classrooms, one Early Head Start classroom, four State preschool classrooms, and eight childcare centers. There were no boundary changes during the year.

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, boards, and agencies that are not legally separate from the District. For Coachella Valley Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may 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. For financial reporting purposes, the component unit described below has a financial and operational relationship, which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 80, Blending Requirements For Certain Component Units and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because their purpose is to acquire real property to be used for the benefit of the District.

The District has financial and operational relationships with the Coachella Valley Unified School District Property Acquisition Corporation (PAC) which meet the reporting entity definition criteria of GASB Statement No. 14, The Financial Reporting Entity, as component units of the District. Accordingly, the financial activities of the PAC have been included in the Capital Project Fund for Blended Component Units of the District's financial statements.

Other Related Entities

Charter School The District has approved a charter for the NOVA Academy Charter School pursuant to *Education Code* Section 47605. The NOVA Academy Charter School is operated by a separate governing board and is not considered a component unit of the District. The District receives revenue on behalf of the NOVA Academy Charter School which it passes on to the Charter. The NOVA Academy Charter School receives Federal and State funds for specific purposes that is subject to review and audit by grantor agencies.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and proprietary.

Governmental Funds Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a District (*Education Code* Sections 15125-15262).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are 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. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and Government Code Section 65995 et seq.). Expenditures are restricted to the purposes specified in Government Code Sections 65970-65981 or to the items specified in agreements with the developer (Government Code Section 66006).

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition lA), 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) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund and redevelopment agency funds for the City of La Quinta, Riverside County, and the City of Coachella monies for capital outlay purposes (*Education Code* Section 42840). In addition, the capital project and debt service activity for the 2003 Certificates of Participation (School Financing Project and East Coachella School Facilities Project) and the 2006 and 2006B Certificates of Participation is accounted for in the Special Reserve Fund for Capital Outlay Projects.

- **Capital Project Fund for Blended Component Units** The Capital Project Fund for Blended Component Units is used to account for the acquisition of real property financed by the Coachella Valley Unified School District Property Acquisition Corporation which is considered a blended component unit of the LEA under Generally Accepted Accounting Principles.

Proprietary Funds Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service Funds may be used to account for any activity for which services are provided to other funds of the District on a cost-reimbursement basis. The District operates a dental and vision program that is accounted for in an internal service fund.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each governmental program and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation expense. 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 the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund Financial Statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

- **Governmental Funds** All Governmental Funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in whichthe fund liability is incurred, if measurable.

- **Proprietary Funds** Proprietary Funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Revenues – Exchange and Non-Exchange Transactions 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 fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include 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 is 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.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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. 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 entity-wide statements.

Cash and Cash Equivalents

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

Investments

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

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds and expenses in the proprietary type funds when consumed rather than when purchased.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statement of net position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/ infrastructure, five to 50 years; equipment, two to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities columns of the Statement of Net Position.

Compensated Absences

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

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Liabilities

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

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for Pension and for OPEB related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Balances - Governmental Funds

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes 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, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report net position, restricted by enabling legislation of $58,126,366.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are food sales. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Transfers between governmental in the government-wide financial statements are reported in the same manner as general revenues.

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

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.

Property Tax

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

Change in Accounting Principles

As of July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 15.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Governmental funds	$ 151,112,882
Proprietary funds	4,942,882
Total deposits and investments	$ 156,055,764

Deposits and investments as of June 30, 2021, consisted of the following:

Cash on hand and in banks	$ 1,201,349
Cash in revolving	52,025
Cash collection awaiting deposit	225,685
Investments	154,576,705
Total deposits and investments	$ 156,055,764

Policies and Practices

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

Investment in County Treasury - 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* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at 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 that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Riverside County Treasury Investment Pool and purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of $154,576,705 with Riverside County Treasury Investment Pool that has an average weighted maturity of 420 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. While the District's investment in the Riverside County Treasury Investment Pool is not required to be rated, as of year-end it reflected an Aaa rating by Moody's Investors Service.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, the District's bank balance of $818,818 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 3 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total
Federal Government					
Categorical aid	$ 5,906,327	$ -	$ 2,809,086	$ -	$ 8,715,413
State Government					
LCFF apportionment	12,993,129	-	-	-	12,993,129
Categorical aid	752,045	-	510,610	-	1,262,655
Lottery	1,150,887	-	-	-	1,150,887
Special education	3,088,663	-	-	-	3,088,663
Local Government				-	
Interest	22,869	35,797	21,921	3,518	84,105
Other local sources	488,509	-	26,605	-	515,114
Total	$ 24,402,429	$ 35,797	$ 3,368,222	$ 3,518	$ 27,809,966

Note 4 - Capital Assets

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 35,587,508	$ -	$ -	$ 35,587,508
Construction in progress	103,497,350	26,246,508	-	129,743,858
Total capital assets not being depreciated	139,084,858	26,246,508	-	165,331,366
Capital assets being depreciated				
Land improvements	57,463,746	664,112	-	58,127,858
Buildings and improvements	381,767,160	42,239	-	381,809,399
Furniture and equipment	49,868,239	1,621,744	-	51,489,983
Total capital assets being depreciated	489,099,145	2,328,095	-	491,427,240
Total capital assets	628,184,003	28,574,603	-	656,758,606
Accumulated depreciation				
Land improvements	(22,830,208)	(2,588,383)	-	(25,418,591)
Buildings and improvements	(124,766,489)	(7,871,785)	-	(132,638,274)
Furniture and equipment	(39,853,962)	(1,923,283)	-	(41,777,245)
Total accumulated depreciation	(187,450,659)	(12,383,451)	-	(199,834,110)
Governmental activities capital assets, net	$ 440,733,344	$ 16,191,152	$ -	$ 456,924,496

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 11,145,105
Home-to-school transportation	371,504
All other administration	495,338
Plant services	371,504
Total depreciation expenses governmental activities	$ 12,383,451

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances at June 30, 2021, between major funds, non-major governmental funds and internal service funds are as follows:

	Due From			
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ -	$ 1,116,504	$ 1,116,504
Non-Major Governmental Funds	947,381	8,636	-	956,017
Internal Service Fund	16,567	60	1,215	17,842
Total	$ 963,948	$ 8,696	$ 1,117,719	$ 2,090,363

The balance of $86,551 is due to the General Fund from the Adult Education Non-Major Governmental Fund for the reimbursement of operating costs and indirect costs.

A balance of $500,000 is due to the General Fund from the Child Development Non-Major Governmental Fund resulted for a temporary loan.

The balance of $132,579 is due to the General Fund from the Child Development Non-Major Fund for the reimbursement of operating costs and indirect costs.

The balance of $397,374 is due to the General Fund From the Cafeteria Non-Major Governmental Fund for the reimbursement of payroll and indirect costs.

A balance of $221,655 is due to the Cafeteria Non-Major Governmental Fund from the General Fund for the reimbursement COVID-19 related supplies costs.

A balance of $400,000 is due to the Deferred Maintenance Non-Major Governmental Fund from the General Fund to set aside funds for future routine maintenance costs.

Remaining balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

The General Fund transferred to the Defered maintenance Non-Major Governmental Fund to set aside funds for future routine maintenance costs.	$ 400,000
The General Fund transferred to the Child Development Non-Major Governmental Fund for operating contribution.	325,726
Total	$ 725,726

Note 6 - Accounts Payable

Accounts payable at June 30, 2021, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Total
LCFF apportionment	$ 8,284,390	$ -	$ -	$ -	$ 8,284,390
Salaries and benefits	4,689,067	16,585	354,562	-	5,060,214
Supplies	789,150	-	187,126	-	976,276
Services	2,242,135	247,823	277,722	251,675	3,019,355
Capital Outlay	113,726	2,335,495	19,858	-	2,469,079
Other	228,924	-	108,347	-	337,271
Total	$ 16,347,392	$ 2,599,903	$ 947,615	$ 251,675	$ 20,146,585

Note 7 - Unearned Revenues

Unearned revenues at June 30, 2021, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 5,737,221	$ -	$ 5,737,221
State categorical aid	4,751,936	187,352	4,939,288
Total	$ 10,489,157	$ 187,352	$ 10,676,509

Note 8 - Long-Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
General obligation bonds	$ 279,222,355	$ 4,840,358	$ (9,835,000)	$ 274,227,713	$ 10,300,000
Unamortized debt premiums	10,778,846	-	(702,390)	10,076,456	-
Certificates of participation	20,665,000	-	(680,000)	19,985,000	740,000
Unamortized debt premiums	636,709	-	(42,447)	594,262	-
Capital leases	8,365,368	-	(428,051)	7,937,317	486,181
2011 lease refinancing	8,565,000	-	(625,000)	7,940,000	660,000
2013 lease refinancing	6,940,000	-	(360,000)	6,580,000	440,000
Compensated absences	3,096,057	539,101	-	3,635,158	-
Total	$ 338,269,335	$ 5,379,459	$ (12,672,888)	$ 330,975,906	$ 12,626,181

Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund with local revenues. Payments for the Certificates of Participation and the 2011 and 2013 Lease Refinancing are made by the Special Reserve Fund for Capital Outlay Projects. Payments for capital leases will be paid by the General Fund. The compensated absences will be paid by the General Fund and the Cafeteria Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2021
8/1/1998	8/1/2023	3.70-5.28%	$ 9,999,278	$ 7,290,566	$ -	$ 338,258	$ (1,670,000)	$ 5,958,824
8/19/2005	8/1/2030	3.00-5.09%	49,998,180	1,769,770	-	91,225	-	1,860,995
5/12/2010	8/1/2043	6.82-10.51%	24,990,463	48,513,888	-	3,469,644	-	51,983,532
5/12/2010	8/1/2022	2.75-4.50%	6,560,000	640,000	-	-	(640,000)	-
7/12/2012	8/1/2043	3.00-5.97%	54,999,882	19,263,131	-	941,231	(900,000)	19,304,362
4/25/2013	8/1/2028	0.91-3.55%	20,255,000	11,755,000	-	-	(900,000)	10,855,000
1/23/2014	8/1/2028	1.50-5.00%	38,145,000	28,240,000	-	-	(2,655,000)	25,585,000
7/14/2014	8/1/2030	2.00-5.00%	17,455,000	15,820,000	-	-	(690,000)	15,130,000
9/15/2015	8/1/2023	2.89-5.38%	5,865,000	5,865,000	-	-	(1,380,000)	4,485,000
9/15/2015	8/1/2031	1.50-5.25%	11,550,000	11,405,000	-	-	(100,000)	11,305,000
6/2/2016	8/1/2045	2.00-4.00%	39,680,000	35,380,000	-	-	-	35,380,000
10/25/2016	8/1/2046	3.00-5.00%	50,330,000	48,380,000	-	-	-	48,380,000
10/3/2019	8/1/2037	1.79-3.24%	44,900,000	44,900,000	-	-	(900,000)	44,000,000
				$ 279,222,355	$ -	$ 4,840,358	$ (9,835,000)	$ 274,227,713

1997 General Obligation Bonds, Series B

On August 1, 1998, the District issued the 1997 Series B current and capital appreciation General Obligation Bonds in the amount of $9,999,278 (accreting to $22,525,000) to fund school construction. The bonds have a final maturity to occur on August 1, 2023, with interest yields varying from 3.70 to 5.28 percent. At June 30, 2021, the principal outstanding was $5,958,824.

2005 General Obligation Bonds, Series A

On August 19, 2005, the District issued the 2005 Series A current and capital appreciation General Obligation Bonds in the amount of $49,998,180 (accreting to $52,140,000) to finance the construction, renovation and repair of District facilities. The bonds have a final maturity to occur on August 1, 2030, with interest yields varying from 3.00 to 5.09 percent. The District issued the 2014 General Obligation Refunding Bonds in the amount of $38,145,000. The net proceeds from the Refunding Bonds were used to advance refund, a portion of the District's outstanding 2005 General Obligation Bonds, Series A. The District also issued the 2014 Refunding General Obligation Bonds, Series B in the amount of $17,455,000. The net proceeds from the sale of the bonds were used to provide advance refunding a portion of the District's 2005 General Obligation Bonds, Series A and Series B in the amount of $5,200,000 and $11,850,000, respectively. As the advance refunding met the requirements of an in-substance defeasance, the associated assets and liability were removed from the District's financial statements. At June 30, 2021, the principal balance outstanding was $1,860,995.

2005 General Obligation Bonds, Series C

On May 12, 2010, the District issued the 2005 Series C General Obligation Bonds in the amount of $24,990,463 to finance the construction, renovation, and repair of District facilities, to finance a portion of the interest due on the Bonds and to pay issuance costs. The bonds issued were capital appreciation bonds accreting to a maturing principal balance of $143,307,445. The bonds have a final maturity to occur on August 1, 2043, with interest yields varying from 6.82 to 10.51 percent. At June 30, 2021, the principal balance outstanding was $51,983,532. Unamortized premium received on issuance of the bonds amounted to $990,085.

2010 General Obligation Refunding Bonds

On May 12, 2010, the District issued the 2010 General Obligation Refunding Bonds in the amount of $6,560,000. The bonds were issued to advance refund $6,420,000 of the outstanding 1997 General Obligation Bonds, Series A. The bonds associated with the issuance were placed in an escrow account with U.S. Bank for the future redemption of Series A bonds to occur on August 1, 2010. The difference between the cash flows of the refunded debt and the new issuance was $524,952. The economic gain (the difference between the present value of the refunded debt and new issuance) resulting from the refunding was $410,889. The bonds have a final maturity to occur on August 1, 2022, with interest yields varying from 2.74 to 4.50 percent. At June 30, 2021, the series has been fully defeased.

2005 General Obligation Bonds, Series D

On July 12, 2012, the District issued the 2005 Series D General Obligation Bonds in the amount of $54,999,882. The Series D Bonds represent the fourth series of the authorized bonds to be issued under the authorization as approved by voters. The bonds were issued as current interest bonds and capital appreciation bonds with the value of the capital appreciation bonds accreting $51,500,000 and maturing to an aggregate principal debt service balance of $96,400,000. The bonds mature August 1, 2043, with interest yields of 3.00 to 5.97 percent. Proceeds from the bonds are used to finance the construction, renovation, and repair of District facilities, to finance a portion of the interest due on the Bonds and to pay issuance costs. At June 30, 2021, the principal balance outstanding was $19,304,362. Unamortized premium received on issuance of the bonds amounted to $1,049,598.

2012 General Obligation Bonds, Series A

On April 25, 2013, the District issued the 2012 Series A General Obligation Bonds in the amount of $20,255,000 to finance the purchase of technology equipment and the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. The bonds have a final maturity to occur on August 1, 2028, with interest yields varying from 0.91 to 3.55 percent. At June 30, 2021, the principal balance outstanding was $10,855,000.

2014 General Obligation Refunding Bonds

On January 23, 2014, the District issued the 2014 General Obligation Refunding Bonds in the amount of $38,145,000. The bonds have a final maturity to occur on August 1, 2028, with interest rates from 1.50 to 5.00 percent. The net proceeds of $40,843,187 (representing the principal amount of $38,145,000, plus premium on issuance of $2,698,187) from the issuance were used to advance refund the District's outstanding 2005 General Obligation Bonds, Series A and to pay the costs of issuance associated with the refunding bonds, with the prepayment to occur on August 1, 2015. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability. The refunding resulted in a cumulative cash flow saving of $2,699,088 over the life of the new debt and an economic gain of $2,001,426 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.294 percent. At June 30, 2021, the principal balance outstanding was $25,585,000. Unamortized premium received on issuance of the bonds amounted to $1,156,366.

2014 Refunding General Obligation Bonds, Series B

On July 17, 2014, the Coachella Valley Unified School District issued 2014 Refunding General Obligation Bonds, Series B in the amount of $17,455,000. The refunding bonds were issued as current interest bonds. The bonds were issued at an aggregate price of $18,727,640 (representing the principal amount of $17,455,000 and premium of $1,519,631, less cost of issuance of $246,992). The bonds have a final maturity which occurs on August 1, 2030, with interest rates of 2.0 to 5.0 percent. Proceeds from the sale of the bonds were used to provide advance refunding a portion of the District's 2005 General Obligation Bonds, Series A and Series B in the amount of $5,200,000 and $11,850,000, respectively. The refunding resulted in a cumulative cash flow saving of $1,251,775 over the life of the new debt and an economic gain of $944,716 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.13 percent. As of June 30, 2021, the principal balance outstanding was $15,130,000. Unamortized premium on issuance and deferred amount on refunding were $810,470 and $952,924, respectively.

2012 General Obligation Bonds, Series B

On September 15, 2015, the Coachella Valley Unified School District issued 2012 General Obligation Bonds, Series B in the amount of $5,865,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of $5,652,599 (representing the principal amount of $5,865,000, less cost of issuance of $212,401). The bonds have a final maturity which occurs on August 1, 2023 with interest rates of 2.89 to 5.38 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2021, the principal balance outstanding was $4,485,000.

2015 General Obligation Refunding Bonds

On September 15, 2015, the Coachella Valley Unified School District issued 2015 General Obligation Refunding Bonds in the amount of $11,550,000. The refunding bonds were issued as current interest bonds. The bonds were issued at an aggregate price of $11,960,871 (representing the principal amount of $11,550,000 and premium of $506,728, less cost of issuance of $149,857). The bonds have a final maturity which occurs on August 1, 2031 with interest rates of 1.50 to 5.25 percent. Proceeds from the sale of the bonds were used to provide advance refunding of the District's 2005 General Obligation Bonds, Series B in the amount $11,000,000. The refunding resulted in a cumulative cash flow saving of $839,335 over the life of the new debt and an economic gain of $671,335 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.44 percent. As of June 30, 2021, the principal balance outstanding was $11,305,000. Unamortized premium on issuance and deferred amount on refunding were $320,416 and $549,069, respectively.

2005 General Obligation Bonds, Series 2016-E

On June 2, 2016, the Coachella Valley Unified School District issued 2005 General Obligation Bonds, Series 2016-E in the amount of $39,680,000. The bonds represent the fifth issuance from the 2005 election of bonds authorized not to exceed $250,000,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of $41,860,952 (representing the principal amount of $39,680,000, plus premium on issuance of $2,780,055, less cost of issuance of $599,103). The bonds have a final maturity which occurs on August 1, 2045 with interest rates of 2.0 to 4.00 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2021, the principal balance outstanding was $35,380,000. Unamortized premium received on issuance of the bonds amounted to $2,224,044.

2005 General Obligation Bonds, Series 2016-F

On October 4, 2016, the Coachella Valley Unified School District issued 2005 General Obligation Bonds, Series 2016-F in the amount of $50,330,000. The bonds represent the sixth issuance from the 2005 election of bonds authorized not to exceed $250,000,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of $53,902,088 (representing the principal amount of $50,330,000, plus premium on issuance of $4,230,572, less cost of issuance of $658,484). The bonds have a final maturity which occurs on August 1, 2046 with interest rates of 3.0 to 5.0 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2021, the principal balance outstanding was $48,380,000 and unamortized premium on issuance was $3,525,477.

General Obligation Refunding, Series 2019

On October 3, 2019, the Coachella Valley Unified School District issued 2019 General Obligation Refunding Bonds in the amount of $44,900,000. The refunding bonds were issued as current interest bonds. The bonds have a final maturity which occurs on August 1, 2037 with interest rates of 1.79 to 3.24 percent. Proceeds from the sale of the bonds were used to provide advance refunding of the District's 2010 General Obligation Refunding Bonds in the amount $1,175,000 and the District's General Obligation Bonds, 2005 Election, Series D in the amount $39,355,000. The refunding resulted in a cumulative cash flow saving of $4,455,366 over the life of the new debt and an economic gain of $6,701,511 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.021 percent. As of June 30, 2021, the principal balance outstanding was $44,000,000. Deferred amount on refunding was $2,567,266.

The bonds mature as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest to Maturity	Current Interest to Maturity	Interest to Maturity
2022	$ 10,261,860	$ 38,140	$ 9,289,158	$ 19,589,158
2023	10,838,109	201,891	8,994,127	20,034,127
2024	11,675,497	504,503	8,717,952	20,897,952
2025	7,977,877	542,123	8,432,290	16,952,290
2026	8,626,603	738,397	8,110,734	17,475,734
2027-2031	49,835,477	6,589,523	29,871,397	86,296,397
2032-2036	44,812,291	22,997,709	20,186,409	87,996,409
2037-2041	36,949,427	52,025,573	16,596,003	105,571,003
2042-2046	67,470,572	46,574,428	14,157,925	128,202,925
2047	25,780,000	-	571,375	26,351,375
Total	$ 274,227,713	$ 130,212,287	$ 124,927,370	$ 529,367,370

Certificates of Participation

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Certificates Outstanding July 1, 2020	Issued	Redeemed	Certificates Outstanding June 30, 2021
8/21/2014	9/1/2036	2.00-5.00%	$ 21,915,000	$ 20,665,000	$ -	$ (680,000)	$ 19,985,000

2014 Refunding Certificates of Participation

On September 16, 2014, the District issued 2014 Refunding Certificates of Participation in the amount of $21,915,000. The refunding certificates were issued as current interest certificates. The certificates were issued at an aggregate price of $22,373,491 (representing the principal amount of $21,915,000 and premium of $891,392, less cost of issuance of $432,901). The certificates have a final maturity which occurs on September 1, 2036 with interest rates of 2.0 to 5.0 percent. Proceeds from the sale of the certificates were used to provide advance refunding of the District's 2006B Certificates of Participation in the amount of $22,500,000. The refunding resulted in a cumulative cash flow saving of $3,234,207 over the life of the new debt and an economic gain of $2,116,258 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.92 percent. As of June 30, 2021, the principal balance outstanding was $19,985,000. Unamortized premium on issuance and deferred amount on refunding were $594,262 and $1,334,567, respectively.

Year Ending June 30,	Principal	Interest	Total
2022	$ 740,000	$ 821,550	$ 1,561,550
2023	840,000	782,050	1,622,050
2024	940,000	742,250	1,682,250
2025	985,000	703,750	1,688,750
2026	715,000	666,175	1,381,175
2027-2031	5,090,000	2,731,138	7,821,138
2032-2036	8,010,000	1,151,438	9,161,438
2037	2,665,000	53,300	2,718,300
Total	$ 19,985,000	$ 7,651,651	$ 27,636,651

Capital Leases

The District has entered into agreements to lease various facilities. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements is summarized below:

	Energy Project	Buses	Total
Balance, July 1, 2020	$ 8,033,453	$ 2,263,824	$ 10,297,277
Additions	-	-	-
Payments	(454,717)	(251,536)	(706,253)
Balance, July 1, 2021	$ 7,578,736	$ 2,012,288	$ 9,591,024

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2022	$ 750,085
2023	782,792
2024	822,744
2025	868,957
2026	920,656
2027-2031	4,962,529
2032-2036	483,261
Total	9,591,024
Less amount representing interest	(1,653,707)
Present value of minimum lease payments	$ 7,937,317

Financed assets under the financing agreement in capital assets at June 30, 2021 include the following:

Buildings	$ 8,371,008
Equipment	2,218,769
Less accumulated depreciation	(2,204,771)
Total	$ 8,385,006

2011 Lease Refinancing

On July 5, 2011, the District entered into a lease agreement with Banc of America Public Capital Corporation to advance funds of $12,830,000. The lease refinancing has a final maturity of March 1, 2026, with an interest rate of 5.00 percent. The net proceeds of $12,632,160 from the issuance (issuance of $12,830,000 net of costs incurred on issuance of $197,840) were used to current refund the District's outstanding 2006 Certificates of Participation (2006 School Financing Project), with the prepayment occurring July 7, 2011. Contributions from the 2006 Certificates of Participation reserve fund resulted in additional funds of $1,271,025 placed with an escrow agent to satisfy prepayment of the remaining balance of the 2006 Certificates of Participation. The refinancing resulted in a cumulative cash flow increase of $387,107 over the life of the new debt and an economic loss of $6,312,170 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 5.00 percent. As of June 30, 2021, the principal balance outstanding was $7,940,000.

The lease refinancing repayment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 660,000	$ 388,875	$ 1,048,875
2023	690,000	355,500	1,045,500
2024	725,000	320,500	1,045,500
2025	760,000	283,875	1,043,875
2026	5,105,000	245,375	5,350,375
Total	$ 7,940,000	$ 1,594,125	$ 9,534,125

2013 Lease Refinancing

On September 1, 2013, the District entered into a lease agreement with Public Property Financing Corporation for $9,475,000. The lease refinancing has a final maturity of September 1, 2031, with an interest rate of 4.15 percent. The net proceeds of $12,632,160 from the issuance (issuance of $9,475,000 net of costs incurred on issuance of $100,865) used to current refund the District's outstanding 2003 Certificates of Participation (School Financing Project) and 2003 Certificates of Participation (East Coachella School Financing Project) with the prepayment occurring September 16, 2013. Contributions from the 2003 Certificates of Participation (School Financing Project) and 2003 Certificates of Participation (East Coachella School Financing Project) reserve funds resulted in additional funds of $1,557,684 placed with an escrow agent to satisfy prepayment of the remaining balance of the certificates. As of June 30, 2021, the principal balance outstanding was $6,580,000.

The repayment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 440,000	$ 263,940	$ 703,940
2023	505,000	244,331	749,331
2024	530,000	222,855	752,855
2025	550,000	200,445	750,445
2026	575,000	177,101	752,101
2027-2031	3,250,000	499,660	3,749,660
2032-2036	730,000	15,148	745,148
Total	$ 6,580,000	$ 1,623,480	$ 8,203,480

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to $3,635,158.

Note 9 - Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2021, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 83,624,766	$ 10,989,286	$ 4,306,813	$ 8,339,967
Medicare Premium Payment (MPP) Program	1,327,918	-	-	120,842
Total	$ 84,952,684	$ 10,989,286	$ 4,306,813	$ 8,460,809

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75.

Plan Membership

At June 30, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	111
Active employees	1,883
Total	1,994

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. The District paid $2,548,317 in benefits during the current fiscal year.

Total OPEB Liability of the District

The District's total OPEB liability of $83,624,766 was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total OPEB liability to June 30, 2020. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.63	percent
Salary increases	2.75	percent, average, including inflation
Discount rate	2.20	percent
Healthcare cost trend rates	4.00	percent for 2020

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period July 1, 2018 to June 30, 2019.

	Total OPEB Liability
Balance, June 30, 2020	$ 70,291,929
Service cost	5,545,399
Interest	2,514,103
Changes of assumptions or other inputs	7,739,566
Benefit payments	(2,466,231)
Net change in total OPEB liability	13,332,837
Balance, June 30, 2021	$ 83,624,766

Changes of assumptions include a change in the discount rate to 2.20 percent in 2020 from 3.50 percent in 2019.

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

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

Discount Rate	Total OPEB Liability
1% decrease (1.20%)	$ 88,463,116
Current discount rate (2.20%)	83,624,766
1% increase (3.20%)	77,454,473

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3.00%)	$ 79,303,359
Current healthcare cost trend rate (4.00%)	83,624,766
1% increase (5.00%)	87,181,535

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources, related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $8,339,967. At June 30, 2021, 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
OPEB contributions subsequent to measurement date	$ 2,548,317	$ -
Differences between expected and actual experience	-	2,966,551
Changes of assumptions	8,440,969	1,340,262
Total	$ 10,989,286	$ 4,306,813

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 280,465
2023	280,465
2024	280,465
2025	280,465
2026	280,465
Thereafter	2,731,831
Total	$ 4,134,156

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB)Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2021, the District reported a liability of $1,327,918 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.3133 percent, and 0.3241 percent, resulting in a net decrease in the proportionate share of 0.0108 percent.

For the year ended June 30, 2021, the District recognized OPEB expense of $120,842.

Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2018
Experience Study	June 30, 2014 through June 30, 2018	June 30, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.21%	3.50%
Medicare Part A Premium Cost Trend Rate	4.50%	3.70%
Medicare Part B Premium Cost Trend Rate	5.40%	4.10%

For the valuation as of June 30, 2019, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18 percent of the potentially eligible population (159,339).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020, is 2.21 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29 percent from 3.50 percent as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (1.21%)	$ 1,468,383
Current discount rate (2.21%)	1,327,918
1% increase (3.21%)	1,208,393

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 1,204,068
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	1,327,918
1% increase (5.50% Part A and 6.40% Part B)	1,470,492

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 50,000	$ -	$ -	$ 2,025	$ 52,025
Stores inventories	19,536	-	-	483,903	503,439
Prepaid expenditures	463,124	-	-	-	463,124
Total nonspendable	532,660	-	-	485,928	1,018,588
Restricted					
Legally restricted programs	15,150,124	-	-	84,128	15,234,252
Student activitiy	-	-	-	740,040	740,040
Adult education	-	-	-	1,246,255	1,246,255
Food service	-	-	-	2,337,044	2,337,044
Capital projects	-	40,366,818	-	16,931,621	57,298,439
Debt services	-	-	22,188,972	-	22,188,972
Total restricted	15,150,124	40,366,818	22,188,972	21,339,118	99,045,032
Committed					
Deferred maintenance program	-	-	-	941,215	941,215
Other	4,895,246	-	-	-	4,895,246
Total committed	4,895,246	-	-	941,215	5,836,461
Assigned					
Capital projects	-	-		10,511,032	10,511,032
Child development	-	-	-	24,208	24,208
Adult education	-	-	-	111,998	111,998
	-	-	-	1,968,046	1,968,046
Total assigned	-	-	-	12,615,284	12,615,284
Unassigned					
Reserve for economic uncertainties	7,942,920	-	-	-	7,942,920
Remaining unassigned	22,838,347	-	-	-	22,838,347
Total unassigned	30,781,267	-	-	-	30,781,267
Total	$ 51,359,297	$ 40,366,818	$ 22,188,972	$ 35,381,545	$ 149,296,632

Note 11 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the fiscal year ending June 30, 2021, the District participated in the Riverside Schools' Insurance Authority (RSIA) public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021, the District participated in the Riverside Schools Risk Management Authority (RSRMA) public entity risk pool. The intent of RSRMA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in RSRMA. The workers' compensation experience of the participating districts is calculated and applied to a common premium rate. Participation in RSRMA is limited to local educational agencies that can meet RSRMA selection criteria.

Employee Medical Benefits

The District purchases medical insurance from commercial insurance companies.

Claims Liabilities

The District is self-insured for its dental and vision programs. The District records an estimated liability for dental and vision insurance claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2019 to June 30, 2021:

	Dental & Vision
Liability Balance, July 1, 2019	$ 431,940
Claims and changes in estimates	2,013,708
Claims payments	(2,070,922)
Liability Balance, June 30, 2020	374,726
Claims and changes in estimates	1,917,185
Claims payments	(1,921,999)
Liability Balance, June 30, 2021	$ 369,912
Assets available to pay claims at June 30, 2021	$ 4,964,242

Note 12 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2021, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 174,272,134	$ 44,660,748	$ 12,645,836	$ 24,222,779
CalPERS	88,052,116	15,210,789	8,821,952	14,770,946
Total	$ 262,324,250	$ 59,871,537	$ 21,467,788	$ 38,993,725

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2021, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were $16,287,024.

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

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

Total Net Pension Liability, Including State Share	
Proportionate share of net pension liability	$ 174,272,134
State's proportionate share of the net pension liability	89,837,306
Total	$ 264,109,440

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.1798 percent and 0.1832 percent, resulting in a net decrease in the proportionate share of 0.0034 percent.

For the year ended June 30, 2021, the District recognized pension expense of $24,222,779. In addition, the District recognized pension expense and revenue of $12,585,325 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 16,287,024	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	6,932,510	7,731,063
Differences between projected and actual earnings on pension plan investments	4,139,703	-
Differences between expected and actual experience in the measurement of the total pension liability	307,510	4,914,773
Changes of assumptions	16,994,001	-
Total	$ 44,660,748	$ 12,645,836

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (2,526,022)
2023	1,410,473
2024	2,814,051
2025	2,441,201
Total	$ 4,139,703

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 5,275,253
2023	5,029,016
2024	5,299,319
2025	(1,606,809)
2026	(1,897,986)
Thereafter	(510,608)
Total	$ 11,588,185

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 263,300,920
Current discount rate (7.10%)	174,272,134
1% increase (8.10%)	100,766,335

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Actuarial Valuation, 2014. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were $8,613,812.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $88,052,116. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.2870 percent and 0.3050 percent, resulting in a net decrease in the proportionate share of 0.0180 percent.

For the year ended June 30, 2021, the District recognized pension expense of $14,770,946. At June 30, 2021, the District reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 8,613,812	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	74,007	8,821,952
Differences between projected and actual earnings on pension plan investments	1,832,965	-
Differences between expected and actual experience in the measurement of the total pension liability	4,367,114	-
Changes of assumptions	322,891	-
Total	$ 15,210,789	$ 8,821,952

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (685,933)
2023	611,829
2024	1,063,458
2025	843,611
Total	$ 1,832,965

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (341,011)
2023	(2,067,240)
2024	(1,505,391)
2025	(144,298)
Total	$ (4,057,940)

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 126,590,974
Current discount rate (7.15%)	88,052,116
1% increase (8.15%)	56,066,798

Alternative Retirement Program

The District also contributes to the Accumulation Program for Part-time and Limited Service Employees (APPLE), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use APPLE as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75 percent of an employee's gross earnings. An employee is required to contribute 3.75 percent of his or her gross earnings to the pension plan.

During the year, the District's required and actual contributions amounted to $94,402, which was 3.75 percent of its current year covered payroll. Employees required and actual contributions amounted to $94,402, which was 3.75 percent of the covered payroll.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $10,166,900 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 13 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is not currently a party to any legal proceedings.

Construction Commitments

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

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Modernization at various sites		
Palm view renovation and modernization	$ 12,024,216	December 3, 2021
North shore elementary	38,051,926	December 31, 2022
Total	$ 50,076,142	

Note 14 - Participation in Public Entity Risk Pools

The District is a member of the Riverside Schools Insurance Authority (RSIA) and the Riverside Schools Risk Management Authority (RSRMA) public entity risk pools. The District pays an annual premium to each entity for its workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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.

During the year ended June 30, 2021, the District made payments of $1,590,268 and $5,575,261 to RSIA and RSRMA, respectively, for services received.

Note 15 - Restatement of Prior Year Net Position of Fund Balance

As of July 1, 2020, the Coachella Valley Unified School District adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Activities
Beginning Fund Balance previously reported at June 30, 2020	$ 27,599,996	$ 146,620,146
Reclassification of student activity funds from agency funds to a special revenue fund	854,779	854,779
Fund Balance - Beginning, as Restated at July 1, 2020	$ 28,454,775	$ 147,474,925
Government-Wide Financial Statements		
Net Position (Deficit) - Beginning, previously reported at June 30, 2020		$ (28,179,228)
Reclassified student body funds from fiduciary fund to a special revenue fund		854,779
Net Position (Deficit) - Beginning, as Restated at July 1, 2020		$ (27,324,449)

Required Supplementary Information
June 30, 2021

Coachella Valley Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 184,077,486	$ 201,499,519	$ 201,885,700	$ 386,181
Federal sources	44,703,674	56,254,271	42,529,810	(13,724,461)
Other State sources	23,351,611	41,266,576	29,705,401	(11,561,175)
Other local sources	7,054,876	10,634,750	10,093,431	(541,319)
Total revenues	259,187,647	309,655,116	284,214,342	(25,440,774)
Expenditures				
Current				
Certificated salaries	104,139,504	103,097,176	101,122,385	1,974,791
Classified salaries	38,452,704	38,403,267	35,946,508	2,456,759
Employee benefits	78,358,337	79,842,944	73,218,346	6,624,598
Books and supplies	12,020,045	35,357,993	26,433,830	8,924,163
Services and operating expenditures	30,854,228	37,258,699	24,829,855	12,428,844
Other outgo	777,740	633,327	533,707	99,620
Capital outlay	742,586	449,028	1,247,387	(798,359)
Debt service				
Debt service - principal	-	-	428,051	(428,051)
Debt service - interest and other	-	-	278,202	(278,202)
Total expenditures	265,345,144	295,042,434	264,038,271	31,004,163
Excess (Deficiency) of Revenues Over Expenditures	(6,157,497)	14,612,682	20,176,071	5,563,389
Other Financing Uses				
Transfers out	(400,000)	(400,000)	(725,726)	(325,726)
Net Change in Fund Balances	(6,557,497)	14,212,682	19,450,345	5,237,663
Fund Balance - Beginning	31,908,952	31,908,952	31,908,952	-
Fund Balance - Ending	$ 25,351,455	$ 46,121,634	$ 51,359,297	$ 5,237,663

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 5,545,399	$ 5,366,070	$ 5,508,402	$ 5,360,975
Interest	2,514,103	2,611,199	2,430,464	2,022,425
Difference between expected and actual experience	-	(4,372,252)	-	-
Changes of assumptions	7,739,566	1,415,653	(1,659,372)	-
Benefit payments	(2,466,231)	(1,522,923)	(1,381,389)	(1,328,259)
Net change in total OPEB liability	13,332,837	3,497,747	4,898,105	6,055,141
Total OPEB Liability - Beginning	70,291,929	66,794,182	61,896,077	55,840,936
Total OPEB Liability - Ending	$ 83,624,766	$ 70,291,929	$ 66,794,182	$ 61,896,077
Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.3133%	0.3241%	0.3439%	0.3418%
Proportionate share of the net OPEB liability	$ 1,327,918	$ 1,207,076	$ 1,316,417	$ 1,438,118
Covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Proportion of the net pension liability	0.1798%	0.1832%	0.1916%	0.1888%	0.1735%	0.1732%	0.1675%
Proportionate share of the net pension liability	$ 174,272,134	$ 165,486,352	$ 176,102,741	$ 174,614,705	$ 140,359,988	$ 116,584,701	$ 94,892,874
State's proportionate share of the net pension liability	89,837,306	90,283,853	100,824,055	103,300,584	79,904,437	61,660,455	59,111,944
Total	$ 264,109,440	$ 255,770,205	$ 276,926,796	$ 277,915,289	$ 220,264,425	$ 178,245,156	$ 154,004,818
Covered payroll	$ 98,183,766	$ 101,549,134	$ 104,733,520	$ 101,146,741	$ 87,381,314	$ 81,010,529	$ 75,059,672
Proportionate share of the net pension liability as a percentage of its covered payroll	177.50%	162.96%	168.14%	172.64%	160.63%	143.91%	126.42%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS							
Proportion of the net pension liability	0.2870%	0.3050%	0.3353%	0.3337%	0.3303%	0.2932%	0.2690%
Proportionate share of the net pension liability	$ 88,052,116	$ 88,876,477	$ 89,400,243	$ 79,671,576	$ 65,235,966	$ 43,216,585	$ 30,537,951
Covered payroll	$ 41,532,448	$ 42,858,316	$ 44,970,736	$ 42,347,804	$ 39,579,016	$ 32,504,689	$ 28,274,050
Proportionate share of the net pension liability as a percentage of its covered payroll	212.01%	207.37%	198.80%	188.14%	164.82%	132.95%	108.01%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note : In the future, as data becomes available, ten years of information will be presented.

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Contractually required contribution	$ 16,287,024	$ 16,789,424	$ 16,532,199	$ 15,113,047	$ 12,724,260	$ 9,376,015	$ 7,193,735
Less contributions in relation to the contractually required contribution	16,287,024	16,789,424	16,532,199	15,113,047	12,724,260	9,376,015	7,193,735
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 100,848,446	$ 98,183,766	$ 101,549,134	$ 104,733,520	$ 101,146,741	$ 87,381,314	$ 81,010,529
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS							
Contractually required contribution	$ 8,613,812	$ 8,190,614	$ 7,741,069	$ 6,984,405	$ 5,881,263	$ 4,688,926	$ 3,826,127
Less contributions in relation to the contractually required contribution	8,613,812	8,190,614	7,741,069	6,984,405	5,881,263	4,688,926	3,826,127
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 41,612,618	$ 41,532,448	$ 42,858,316	$ 44,970,736	$ 42,347,804	$ 39,579,016	$ 32,504,689
Contributions as a percentage of covered payroll	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

Note : In the future, as data becomes available, ten years of information will be presented.

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operation, as well as the variances from the final budget to actual results of operations.

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions* – The Discount rate changed from 3.50 percent in 2019 to 2.20 percent in 2020.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.50 percent to 2.21 percent since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information
June 30, 2021

Coachella Valley Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Treasury			
Passed Through California Department of Education (CDE)			
COVID-19 Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	25516	$20,327,818
Passed Through Riverside County Office of Education Foundation			
COVID-19 Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	[1]	1,250,000
Passed Through Moreno Valley Unified School District			
COVID-19 Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	[1]	124,302
Subtotal			21,702,120
Total U.S. Department of Treasury			21,702,120
U.S. Department of Education			
Passed Through CDE			
Educaton Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	1,508,007
COVID-19 Child Nutrition: CARES Act Supplemental Meal Reimbursement	84.425D	15535	957,575
COVID-19 Governor's Emergency Education Relief Fund Learning Loss Mitigation	84.425C	15517	619,331
Subtotal			3,084,913
Adult Education - Grants to States ELA	84.002A	14508	92,069
Adult Education - Grants to States Secondary	84.002	13978	443,684
Adult Education - Grants to States English Literacy and Civics	84.002A	14109	57,736
Subtotal			593,489
Title I Grants to Local Educational Agencies - Income and Neglected	84.010	14329	8,735,745
Title I Grants to Local Educational Agencies - School Improvement Funding for LEAs	84.010	15438	112,534
Subtotal			8,848,279
English Language Acquisition State Grants - Immigrant Education Program	84.365	15146	19,364
English Language Acquisition State Grants - English Learner Student Program	84.365	14346	942,446
Subtotal			961,810
Twenty-First Century Community Learning Centers	84.287C	14535	2,539,241
Supporting Effective Instruction State Grants	84.367	14341	926,091
Career and Technical Education - Basic Grants to States	84.048	14894	240,351
Student Support and Academic Enrichment Program	84.424	15396	795,803

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Passed Through California Department of Rehabilitation			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126A	[1]	$ 5,400
Passed Through Riverside County Office of Education (RCOE)			
Migrant Education State Grants Program - Regular	84.011	14326	671,473
Migrant Education State Grants Program - Summer	84.011	10005	311,628
Subtotal			983,101
Passed Through Riverside County SELPA			
Special Education Cluster (IDEA)			
Special Education Grants to States - Basic Local Assistance	84.027	13379	3,422,376
Special Education Preschool Grants	84.173	13430	69,505
Special Education Grants to States - Mental Health	84.027A	15197	31,633
Passed Through CDE			
Special Education Grants to States - IDEA Quality Assurance & Focused Monitoring	84.027A	13693	1,064
Total Special Education Cluster (IDEA)			3,524,578
Total U.S. Department of Education			22,503,056
U.S. Department of Health and Human Services			
Passed Through RCOE			
Head Start	93.600	10016	3,218,261
Subtotal			3,218,261
Total U.S. Department of Health and Human Services			3,218,261
U.S. Department of Agriculture			
Passed Throgh CDE			
Child Nutrition Cluster			
National School Lunch Program	10.555	13524	5,066,529
Basic School Breakfast Program	10.553	13525	-
School Breakfast Program - Especially Needy	10.553	13526	3,141,399
National School Lunch Program - Commodities	10.555	13524	1,019,382
Total Child Nutrition Cluster			9,227,310
Child and Adult Care Food Program	10.558	13666	4,374,693
Total U.S. Department of Agriculture			13,602,003
Total Federal Financial Assistance			$61,025,440

[1] Passed-Through number not available

ORGANIZATION

The Coachella Valley Unified School District was established in 1973 and consists of an area comprising approximately 1,250 square miles. The District operates fourteen K-6 schools, three 7-8 schools, one 7-12 high school, two four-year high schools, one continuation high school, an adult education extension program, eleven Head Start classrooms, one Early Head Start classroom, four State preschool classrooms, and eight childcare centers. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Joey Acuna Jr.	President	2022
Silvia Paz.	Vice President	2022
Adonis Galarza-Toledo	Clerk	2024
Trinidad Arredondo	Member	2024
Blanca Hall	Member	2022
Jesus Gonzalez	Member	2024
Jocelyn Vargas	Member	2024

ADMINISTRATION

NAME	TITLE
Dr. Luis Valentino	Superintendent
Joe Dominguez	Assistant Superintendent, Business and Finance
Dr. Josie Paredes	Assistant Superintendent, Educational Services
Dr. Denise E. Ellis	Assistant Superintendent, Human Resources

Grade Level	Number of Actual Days Traditional Calendar	Number of Actual Days Multitrack Calendar	Number of Days Credited Form J-13A	Total Days Offered	Status
Kindergarten	180	-	-	180	Complied
Grades 1 - 3					
Grade 1	180	-	-	180	Complied
Grade 2	180	-	-	180	Complied
Grade 3	180	-	-	180	Complied
Grades 4 - 6					
Grade 4	180	-	-	180	Complied
Grade 5	180	-	-	180	Complied
Grade 6	180	-	-	180	Complied
Grades 7 - 8					
Grade 7	180	-	-	180	Complied
Grade 8	180	-	-	180	Complied
Grades 9 - 12					
Grade 9	180	-	-	180	Complied
Grade 10	180	-	-	180	Complied
Grade 11	180	-	-	180	Complied
Grade 12	180	-	-	180	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2021.

	(Budget) 2022 [1]	2021	2020	2019
General Fund				
Revenues	$ 272,513,226	$ 284,214,342	$ 251,173,068	$ 254,688,048
Expenditures	292,900,872	264,038,271	241,670,908	245,255,967
Other uses and transfers out	400,000	725,726	400,000	400,000
Total Expenditures and Other Uses	293,300,872	264,763,997	242,070,908	245,655,967
Increase/(Decrease) in Fund Balance	(20,787,646)	19,450,345	9,102,160	9,032,081
Ending Fund Balance	$ 30,571,651	$ 51,359,297	$ 31,908,952	$ 22,806,792
Available Reserves [2]	$ 22,200,807	$ 30,781,266	$ 24,674,082	$ 15,455,289
Available Reserves as a Percentage of Total Outgo	7.57%	11.63%	10.19%	6.29%
Long-Term Liabilities	N/A	$ 678,252,840	$ 664,131,169	$ 671,146,216
K-12 Average Daily Attendance at P-2	16,506	16,636	16,636	16,916

The General Fund balance has increased by $28,552,505 over the past two years. The fiscal year 2021-2022 budget projects a decrease of $20,787,646 (40.5 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years, however, anticipates incurring an operating deficit during the 2021-2022 fiscal year. Total long-term liabilities have increased by $7,106,624 over the past two years.

Average daily attendance has decreased by 280 over the past two years. Additional decline of 130 ADA is anticipated during fiscal year 2021-2022.

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[1] Budget 2022 is included for analytical purpose only and has not been subject to audit.

[2] Available reserve consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

Name of Charter School	Charter Number	Included in Audit Report
NOVA Academy	1188	No

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
Assets					
Deposits and investments	$ 740,040	$ 1,287,500	$ 24,258	$ 777,404	$ 540,851
Receivables	-	228,586	943,052	2,160,248	364
Due from other funds	-	-	334,362	221,655	400,000
Stores inventories	-	-	-	483,903	-
Total assets	$ 740,040	$ 1,516,086	$ 1,301,672	$ 3,643,210	$ 941,215
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 66,436	$ 375,437	$ 421,879	$ -
Due to other funds	-	86,728	632,632	398,359	-
Unearned revenue	-	-	187,352	-	-
Total liabilities	-	153,164	1,195,421	820,238	-
Fund Balances					
Nonspendable	-	-	-	485,928	-
Restricted	740,040	1,246,255	84,128	2,337,044	-
Committed	-	-	-	-	941,215
Assigned	-	116,667	22,123	-	-
Total fund balances	740,040	1,362,922	106,251	2,822,972	941,215
Total liabilities and fund balances	$ 740,040	$ 1,516,086	$ 1,301,672	$ 3,643,210	$ 941,215

	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds
Assets					
Deposits and investments	$ 16,367,745	$ 197,795	$ 12,468,740	$ 421,756	$ 32,826,089
Receivables	28,017	201	7,754	-	3,368,222
Due from other funds	-	-	-	-	956,017
Stores inventories	-	-	-	-	483,903
Total assets	$ 16,395,762	$ 197,996	$ 12,476,494	$ 421,756	$ 37,634,231
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 83,863	$ -	$ -	$ -	$ 947,615
Due to other funds	-	-	-	-	1,117,719
Unearned revenue	-	-	-	-	187,352
Total liabilities	83,863	-	-	-	2,252,686
Fund Balances					
Nonspendable	-	-	-	-	485,928
Restricted	16,311,899	197,996	-	421,756	21,339,118
Committed	-	-	-	-	941,215
Assigned	-	-	12,476,494	-	12,615,284
Total fund balances	16,311,899	197,996	12,476,494	421,756	35,381,545
Total liabilities and fund balances	$ 16,395,762	$ 197,996	$ 12,476,494	$ 421,756	$ 37,634,231

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
Revenues					
Federal sources	$ -	$ 717,791	$ 3,269,396	$ 14,559,578	$ -
Other State sources	-	2,383,801	1,313,317	793,632	-
Other local sources	132,696	37,816	1,909	79,224	957
Total revenues	132,696	3,139,408	4,584,622	15,432,434	957
Expenditures					
Current					
Instruction	-	1,790,567	4,379,204	-	-
Instruction-related activities					
Supervision of instruction	-	283,251	12,490	-	-
School site administration	-	489,915	194,027	-	-
Pupil services					
Food services	-	-	-	13,931,322	-
All other pupil services	-	200,751	202,234	-	-
Administration					
All other administration	-	86,550	66,047	397,199	-
Plant services	-	67,272	3,774	16,740	-
Ancillary services	247,435	-	-	-	-
Other outgo	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other	-	-	-	-	-
Total expenditures	247,435	2,918,306	4,857,776	14,345,261	-
Excess (Deficiency) of Revenues Over Expenditures	(114,739)	221,102	(273,154)	1,087,173	957
Other Financing Sources					
Transfers in	-	-	325,726	-	400,000
Net Change in Fund Balances	(114,739)	221,102	52,572	1,087,173	400,957
Fund Balance - Beginning, as restated	854,779	1,141,820	53,679	1,735,799	540,258
Fund Balance - Ending	$ 740,040	$ 1,362,922	$ 106,251	$ 2,822,972	$ 941,215

	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Total Non-Major Governmental Funds
Revenues					
Federal sources	$ -	$ -	$ -	$ -	$ 18,546,765
Other State sources	-	-	-	-	4,490,750
Other local sources	4,925,809	3,752	5,384,191	39,492	10,605,846
Total revenues	4,925,809	3,752	5,384,191	39,492	33,643,361
Expenditures					
Current					
Instruction	-	-	-	-	6,169,771
Instruction-related activities					
Supervision of instruction	-	-	-	-	295,741
School site administration	-	-	-	-	683,942
Pupil services					
Food services	-	-	-	-	13,931,322
All other pupil services	-	-	-	-	402,985
Administration					
All other administration	-	-	-	-	549,796
Plant services	-	-	-	-	87,786
Ancillary services	-	-	-	-	247,435
Other outgo	-	-	-	3,112	3,112
Facility acquisition and construction	817,400	834,298	199,145	-	1,850,843
Debt service					
Principal	-	-	1,665,000	-	1,665,000
Interest and other	-	-	1,554,584	-	1,554,584
Total expenditures	817,400	834,298	3,418,729	3,112	27,442,317
Excess (Deficiency) of Revenues Over Expenditures	4,108,409	(830,546)	1,965,462	36,380	6,201,044
Other Financing Sources					
Transfers in	-	-	-	-	725,726
Net Change in Fund Balances	4,108,409	(830,546)	1,965,462	36,380	6,926,770
Fund Balance - Beginning, as restated	12,203,490	1,028,542	10,511,032	385,376	28,454,775
Fund Balance - Ending	$ 16,311,899	$ 197,996	$ 12,476,494	$ 421,756	$ 35,381,545

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Coachella Valley Unified School District (the District) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Coachella Valley Unified School District, it is not intended to and does not present the net position or changes in net position and fund balance, or cash flows of Coachella Valley Unified School District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures 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. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The District has not elected to use the ten percent de minimis cost rate.

Food Donation
Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District did not report any commodities in inventory.

SEFA Reconciliation
The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funds that have been recorded in the current period as revenues that have not been expended as of June 30, 2021. These unspent balances are reported as legally restricted ending balances within the Child Development Fund.

Description	CFDA Number	Amount
Total Federal Revenues reported on the financial statements		$ 61,076,575
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act		(51,135)
Total Schedule of Expenditures of Federal Awards		$ 61,025,440

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Independent Auditor's Reports
June 30, 2021

Coachella Valley Unified School District

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 Governing Board
Coachella Valley Unified School District
Thermal, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coachella Valley Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Coachella Valley Unified School District's basic financial statements and have issued our report thereon dated January 31, 2022.

Emphasis of Matter – Change in Accounting Principles
As discussed in Notes 1 and 15 to the financial statements, Coachella Valley Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities,* which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

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

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
January 31, 2022

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

To the Governing Board
Coachella Valley Unified School District
Thermal, California

Report on Compliance for Each Major Federal Program
We have audited Coachella Valley Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Coachella Valley Unified School District's major federal programs for the year ended June 30, 2021. Coachella Valley Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Each Major Federal Program
In our opinion, Coachella Valley Unified School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
January 31, 2022

Independent Auditor's Report on State Compliance

To the Governing Board
Coachella Valley Unified School District
Thermal, California

Report on State Compliance
We have audited Coachella Valley Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility
Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility
Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit 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 the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

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

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

The Charter School is independent of the District; therefore, we did not perform any procedures related to charter schools.

Unmodified Opinion
In our opinion, Coachella Valley Unified School District complied, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
January 31, 2022

Schedule of Findings and Questioned Costs
June 30, 2021

Coachella Valley Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
Title I Grants to Local Educational Agencies	84.010
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019
Education Stabilization Fund	84.424C & 84.424D

Dollar threshold used to distinguish between type A and type B programs	$1,830,763
Auditee qualified as low-risk auditee?	No

State Compliance

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

None Reported.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Finding

2020-001 30000

Criteria or Specific Requirements

Under the modified basis of accounting used for governmental funds, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures if the fiscal period. In addition, the application of completeness assertion in financial statements generally requires management to record all assets and liabilities that should have been included as ending balances on the financial statements.

Condition

The District over-reported year-end accounts receivable and revenue in the amount of $759,937. Specifically, the amount in question was associated with the Cafeteria reimbursement revenue recorded in the District's Cafeteria Fund.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified during the course of performing out audit procedures designated to identify cafeteria reimbursement revenues for the District.

Effect

The effect of the item identified above on the ending fund balance of the District's Cafeteria Fund resulted in decrease to the ending fund balance of $759,937 in comparison to the reported balance on the District's Unaudited Actuals as of June 30, 2020.

Cause

The cause appears to be the deficiency in the District's internal control and review system as it was not able to prevent the misstatement to the financial statement.

Repeat Finding

No.

Recommendation

In light of condition identified, the District should exercise care during its annual year-end closing process. The District should implement a process to review all balances during its yearend closing process to determine the proper cut-off period.

Current Status

Implemented.