

**LAS LOMITAS ELEMENTARY  
SCHOOL DISTRICT  
COUNTY OF SAN MATEO  
MENLO PARK, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2021



**Chavan & Associates, LLP**  
Certified Public Accountants  
15105 Concord Circle, Ste 130  
Morgan Hill, CA 95037

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SAN MATEO COUNTY**

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**FINANCIAL  
SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Las Lomas Elementary School District  
Menlo Park, 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 Las Lomas Elementary 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

The District's 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 District'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 District'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 the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, as required by the Governmental Accounting Standards Board; organization schedule, schedule of instructional time offered, schedule of charter schools, schedule of financial trends and analysis, and the reconciliation of the Annual Financial Budget report to the audited financial statements, as required by the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, schedule of instructional time offered, and the reconciliation of the Annual Financial and Budget Report to the audited financial statements are the responsibility of management and were



derived from and relates 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 and individual nonmajor fund financial statements, schedule of expenditures of federal awards, schedule of average daily attendance, schedule of instructional time offered, and the reconciliation of the Annual Financial and Budget Report to the audited financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The organization schedule, schedule of charter schools and schedule of financial trends and analysis have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

January 10, 2022  
Morgan Hill, California

*Management's Discussion and Analysis*



**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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This discussion and analysis of the Las Lomas Elementary School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2020-21 are as follows:

- Total net position from governmental activities decreased by \$2,002,244 during the year.
- General revenue accounted for \$32,926,659 of the District's \$36,474,653 in total revenue.
- The District's total assets increased by \$39,283,168, or 29.23%, from June 30, 2020. Total liabilities increased by \$41,724,475, or 32.82%, from June 30, 2020.
- The District had \$45,796,849 in expenditures for all governmental funds, excluding other financing uses.
- Among major funds, the General Fund had \$31,649,757 in revenues and \$30,027,943 in expenditures, exclusive of interfund transfers. The fund balance in the General Fund increased by \$1,621,814 from June 30, 2020 to June 30, 2021.

**Using the Annual Report**

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand Las Lomas Elementary School District as a financial whole, an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the District-wide financial statements and provide information about the activities of the District as a whole, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Las Lomas Elementary School District, the General Fund is by far the most significant fund.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Overview of the Financial Statements**

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, district-wide and funds.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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- District-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.
- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and additional support for the financial statements.

**District-Wide Financial Statements - Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2020 - 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, and pupil transportation. The District does not have any business-type activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the District's major funds begins with the balance sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, Building Fund and Bond Interest and Redemption Fund.

**Governmental Funds**

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. 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

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The District as a Whole**

The Statement of Net Position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position as of June 30, 2021.

<b>Table 1 - Summary of Statement of Net Position</b>				
	2021	2020	Change	Percentage Change
<b>Assets</b>				
Current & Other Assets	\$ 80,213,884	\$ 43,297,877	\$ 36,916,007	85.26%
Capital Assets	93,478,117	91,110,956	2,367,161	2.60%
<b>Total Assets</b>	<b>\$ 173,692,001</b>	<b>\$ 134,408,833</b>	<b>\$ 39,283,168</b>	<b>29.23%</b>
<b>Liabilities</b>				
Total Deferred Outflows of Resources	\$ 8,376,292	\$ 8,739,295	\$ (363,003)	-4.33%
<b>Liabilities</b>				
Current Liabilities	\$ 4,620,808	\$ 3,006,129	\$ 1,614,679	53.71%
Long-term Liabilities	164,227,750	124,117,954	40,109,796	32.32%
<b>Total Liabilities</b>	<b>\$ 168,848,558</b>	<b>\$ 127,124,083</b>	<b>\$ 41,724,475</b>	<b>32.82%</b>
<b>Net Position</b>				
Total Deferred Outflows of Resources	\$ 2,784,177	\$ 3,586,243	\$ (802,066)	-28.81%
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 11,271,836	\$ 13,561,768	\$ (2,289,932)	-16.89%
Restricted	9,848,852	9,591,954	256,898	2.68%
Unrestricted	(10,685,130)	(10,715,920)	30,790	0.29%
<b>Total Net Position</b>	<b>\$ 10,435,558</b>	<b>\$ 12,437,802</b>	<b>\$ (2,002,244)</b>	<b>-16.10%</b>

The District's net position was \$10,435,558. Of this amount \$11,271,836 was invested in capital assets net of related debt.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Table 2 shows the change in net position for fiscal year 2020-21.

<b>Table 2 - Summary of Changes in Statement of Activities</b>				
	2021	2020	Change	Percentage Change
<b>Revenues</b>				
Program revenues	\$ 3,547,994	\$ 2,691,164	\$ 856,830	31.84%
General revenues:				
Property taxes	27,486,035	30,409,595	(2,923,560)	-9.61%
Grants and entitlements - unrestricted	1,207,613	1,317,483	(109,870)	-8.34%
Other	4,233,011	4,492,002	(258,991)	-5.77%
<b>Total Revenues</b>	<b>36,474,653</b>	<b>38,910,244</b>	<b>(2,435,591)</b>	<b>-6.26%</b>
<b>Program Expenses</b>				
Instruction	22,021,077	22,182,254	(161,177)	-0.73%
Instruction-related services	2,970,700	3,062,019	(91,319)	-2.98%
Pupil services	2,299,252	2,543,430	(244,178)	-9.60%
General administration	2,980,041	2,672,468	307,573	11.51%
Plant services	4,796,844	3,778,686	1,018,158	26.94%
Ancillary Services	1,473	-	1,473	100.00%
Other outgo	86,213	103,656	(17,443)	-16.83%
Interest on long-term debt	3,328,578	3,605,475	(276,897)	-7.68%
<b>Total Expenses</b>	<b>38,484,178</b>	<b>37,947,988</b>	<b>536,190</b>	<b>1.41%</b>
<b>Change in Net Position</b>	<b>(2,009,525)</b>	<b>962,256</b>	<b>(2,971,781)</b>	<b>-308.83%</b>
<b>Begininng Net Position</b>	<b>12,437,802</b>	<b>11,475,546</b>	<b>962,256</b>	<b>8.39%</b>
Prior Period Adjustment - GASB 84	7,281	-	7,281	-100.00%
<b>Begininng Net Position as Adjusted</b>	<b>12,445,083</b>	<b>11,475,546</b>	<b>969,537</b>	<b>8.45%</b>
<b>Ending Net Position</b>	<b>\$ 10,435,558</b>	<b>\$ 12,437,802</b>	<b>\$ (2,002,244)</b>	<b>-16.10%</b>

The District's total revenues decreased by 6.26% from 2019-20 to 2020-21. Local property taxes decreased by 9.61% over the prior year. These local taxes are a combination of incremental increases in residential property taxes, restricted to service the debt on the District's Measure S and Measure R general obligation bonds, and regular residential property taxes. Interest expense has increased in relation to the bonds and new issuances. Other program expenses have increased as new buildings are placed in service and depreciated.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Governmental Activities**

Direct Instruction Costs comprise 55 percent of district expenses. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by General Fund Revenues.

<b>Table 3 - Net Cost of Services</b>				
	2021	2020	Change	Percentage Change
Instruction	\$ 19,306,147	\$ 20,541,643	\$ (1,235,496)	-6.01%
Instruction-related services	2,813,777	2,882,204	(68,427)	-2.37%
Pupil services	192,608	2,392,809	(2,200,201)	-91.95%
General administration	2,949,445	2,637,369	312,076	11.83%
Plant services	4,713,835	3,470,624	1,243,211	35.82%
Ancillary Services	1,473	-	1,473	100.00%
Other outgo	1,630,321	(273,300)	1,903,621	-696.53%
Interest on long-term debt	3,328,578	3,605,475	(276,897)	-7.68%
<b>Total Net Cost of Services</b>	<b>\$ 34,936,184</b>	<b>\$ 35,256,824</b>	<b>\$ (320,640)</b>	<b>-0.91%</b>

Direct Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupil Services and Instruction-Related Services include the activities involved with assisting staff with the content and process of teaching to pupils.

General Administration includes the costs for the Board of Trustees, administration, fiscal and business services and other expenses associated with administrative and financial supervision of the District.

Plant Services includes the operation and maintenance of plant activities to keep the school grounds, buildings, and equipment in an effective working condition.

Other Outgo includes payment to the County Office of Education and other school districts for providing services for Special Education students.

Interest and Fiscal Charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**The District's Funds**

The District's governmental funds report a combined fund balance of \$77,343,076, which is an increase from last year's total of \$42,038,748. Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

<b>Table 4 - Summary of Fund Balances</b>				
	2021	2020	Change	Percentage Change
General Fund	\$ 18,250,162	\$ 16,621,067	\$ 1,629,095	9.8%
Building Fund	49,163,311	15,361,120	33,802,191	220.1%
Bond Interest and Redemption Fund	7,662,577	8,053,337	(390,760)	-4.9%
Nonmajor Funds	2,267,026	2,003,224	263,802	13.2%
<b>Total Fund Balances</b>	<b>\$ 77,343,076</b>	<b>\$ 42,038,748</b>	<b>\$ 35,304,328</b>	<b>84.0%</b>

**General Fund Budgeting Highlights**

The District's budget is prepared according to California law and is based on the modified accrual basis of accounting.

The District's budget is prepared according to California law and in the modified accrual basis of accounting. During the course of the 2020-21 fiscal year, the District revised its General Fund budget twice, at 1<sup>st</sup> Interim and 2<sup>nd</sup> interim, which resulted in an increase in budgeted expenditures of \$2,906,946 from the original to final budget. The General Fund budget basis revenue increased by \$1,624,986 from original to final budgets.

**Capital Assets**

At the end of the fiscal year 2020-21, the District had invested \$121,916,307 in land, buildings, furniture and equipment. Table 5 summarizes the District's capital assets, net of depreciation.

<b>Table 5 - Summary of Capital Assets Net of Depreciation</b>				
	2021	2020		Percentage
	Net	Net		Change
	Capital Asset	Capital Asset	Change	Change
Land	\$ 3,502,038	\$ 3,502,038	\$ -	0.00%
Construction in progress	10,327,922	7,210,985	3,116,937	43.22%
Site Improvements	365,345	695,947	(330,602)	-47.50%
Buildings and Improvements	79,282,812	79,529,918	(247,106)	-0.31%
Property and Equipment	-	172,068	(172,068)	-100.00%
<b>Total Capital Assets - Net</b>	<b>\$93,478,117</b>	<b>\$ 91,110,956</b>	<b>\$ 2,367,161</b>	<b>2.60%</b>

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Long-Term Liabilities**

Table 6 summarizes the changes in long-term liabilities:

<b>Table 6 - Summary of Long-term Liabilities</b>				
	2021	2020	Change	Percentage Change
General Obligation Bonds	\$ 121,430,000	\$ 87,190,000	\$34,240,000	39.27%
Unamortized Bond Premiums	9,939,592	5,767,529	4,172,063	72.34%
Net Pension Liabilities	31,113,523	29,182,837	1,930,686	6.62%
Net OPEB Liability	1,437,137	1,727,276	(290,139)	-16.80%
Compensated Absences	307,498	250,312	57,186	22.85%
<b>Total Long-term Liabilities</b>	<b>\$ 164,227,750</b>	<b>\$ 124,117,954</b>	<b>\$40,109,796</b>	<b>32.32%</b>

On March 11, 2016, the District issued \$11,495,000 of 2016 General Obligation Refunding Bonds. The bonds refunded \$12,515,000 of 2005 General Obligation Refunding Bonds resulting in nearly \$1 million in savings to local taxpayers.

In November of 2013, the voters of the District approved a new bond measure for the District to repair and improve aging schools by issuing \$60,000,000 in bonds at legal rates, with citizens' oversight, and no money for administrators. The District will build classrooms for increased student enrollment, update or replace aging classrooms to meet current health and safety codes, renovate heating and electrical systems to save on energy costs, support 21st century instructional technology, and acquire, repair, or construct sites, facilities and equipment. In fiscal year 2016, the District issued \$30,000,000 from the approved bond measure and refunded all outstanding bonds for a total issuance of \$41,495,000. In fiscal year 2018 the District issued \$30,000,000 from the approved bond measure for a total issuance of \$71,495,000.

In the Election of 2018, the voters of the District approved a new bond measure for the District to repair and improve aging schools by issuing \$70,000,000 in bonds at legal rates, with citizens' oversight, and no money for administrators. The District will build classrooms for increased student enrollment, update or replace aging classrooms to meet current health and safety codes, renovate heating and electrical systems to save on energy costs, support 21st century instructional technology, and acquire, repair, or construct sites, facilities and equipment. In September 2018, the District issued \$30,000,000 from the approved bond measure. In fiscal year 2021 the District issued \$40,000,000 from the approved bond measure.

**Factors Bearing on the District's Future**

The District's 2021-22 budget and multi-year projections include projected movement on the salary schedules for units earned and years of service. Negotiated salary increases for employees are added to the budget at the time of the specific employee group's settlement. Certificated staffing remained static in the multi-year projections as a result of attrition, to maintain instructional program needs, and as a result of no increase to student enrollment. Classified staffing is anticipated to remain static as well in the multi-year projections.

Enrollment has seen a slight decline in the current and last year. The District has been studying this pattern and is budgeting for continued flat or slight declines in enrollment. Costs for Special Education services continue to increase, and the District is constantly differentiating programs to better serve all of its students and to provide improved services to targeted students within the District.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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As the state has fully implemented of the Local Control Funding Formula, Las Lomas Elementary School District will remain a Basic Aid (Community Funded) district. This means that the District will continue to rely on local property taxes as the largest single source of revenue. Increases to revenue will primarily be determined by taxes assessed on local property valuations and the stability of this revenue will vary with the local economy. The District's property tax income for 2021-22 is projected to be 10.76% more than in 2020-21. In subsequent years property tax revenues are projected to increase by 5% thereafter.

Like many other school districts around the country, the District received one-time Federal and State pandemic relief funds throughout the year to support learning loss recovery, remote learning systems and equipment, and COVID-19 testing access to staff and families. However, ongoing sources of State Revenue are limited to Lottery funding, the Mandated Cost Block Grant, and the STRS On Behalf Contribution. Flat funding for state revenue is budgeted for the two out years in the multi-year projections. The Las Lomas Education Foundation grant to the District is budgeted for \$1,200,000 and sources indicate the Foundation will meet this base amount. Parcel tax revenue is expected to remain constant as the number of seniors eligible for exemption has stabilized since approving the tax in 2007. Rental income is adjusted annually according to the individual lease agreements with the District's three tenants.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact Mei Chan, Chief Business Officer, Las Lomas Elementary School District, 1011 Altschul Avenue, Menlo Park, CA 94025.



*Basic Financial Statements*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 79,172,504
Accounts receivable	1,032,859
Other current assets	8,521
Total current assets	80,213,884
Noncurrent assets:	
Capital assets:	
Nondepreciable	13,829,960
Depreciable - net	79,648,157
Capital assets - net	93,478,117
Total Assets	\$ 173,692,001
 <b>Deferred Outflows of Resources</b>	
OPEB adjustments	\$ 847,206
Pension adjustments	7,529,086
Total Deferred Outflows of Resources	\$ 8,376,292
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 2,686,620
Unearned revenue	184,188
Accrued interest	1,750,000
Total current liabilities	4,620,808
Long-term liabilities:	
Due within one year:	
General obligation bonds payable	1,785,000
Due after one year:	
General obligation bonds payable	119,645,000
Unamortized bond premium	9,939,592
Net pension liability	31,113,523
Net OPEB liability	1,437,137
Compensated absences payable	307,498
Total due after one year	162,442,750
Total long-term liabilities	164,227,750
Total Liabilities	\$ 168,848,558
 <b>Deferred Inflows of Resources</b>	
OPEB adjustments	\$ 774,692
Pension adjustments	2,009,485
Total Deferred Inflows of Resources	\$ 2,784,177
 <b>Net Position</b>	
Net investment in capital assets	\$ 11,271,836
Restricted for:	
Debt service	7,662,577
Educational programs	2,104,329
Site repairs	94,801
Total restricted net position	9,861,707
Unrestricted	(10,697,985)
Total Net Position	\$ 10,435,558

*The notes to basic financial statements are an integral part of this statement.*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 22,021,077	\$ 124,796	\$ 2,590,134	\$ (19,306,147)
Instruction-related services:				
Supervision of instruction	839,101	6,138	48,293	(784,670)
Instruction library, media and technology	492,321	-	19,042	(473,279)
School site administration	1,639,278	20	83,430	(1,555,828)
Pupil services:				
Home-to-school transportation	691,433	-	-	(691,433)
Food services	39,523	-	10,000	(29,523)
All other pupil services	1,568,296	16,100	2,080,544	528,348
General administration:				
Data processing	848,004	-	-	(848,004)
All other general administration	2,132,037	-	30,596	(2,101,441)
Plant services	4,796,844	704	82,305	(4,713,835)
Ancillary Services	1,473	-	-	(1,473)
Other outgo	86,213	90,416	(1,634,524)	(1,630,321)
Interest on long-term debt	3,328,578	-	-	(3,328,578)
Total governmental activities	<u>\$ 38,484,178</u>	<u>\$ 238,174</u>	<u>\$ 3,309,820</u>	<u>(34,936,184)</u>
General revenues:				
Taxes and subventions:				
Taxes levied for general purposes				22,039,475
Taxes levied for debt service				4,243,224
Taxes levied for other specific purposes				1,203,336
Federal and state aid not restricted to specific purposes				1,207,613
Interest and investment earnings				274,702
Rental income				2,233,688
Miscellaneous				1,724,621
Total general revenues				<u>32,926,659</u>
Change in net position				<u>(2,009,525)</u>
Net position beginning				12,437,802
Prior period adjustment - GASB 84				7,281
Net position beginning as adjusted				<u>12,445,083</u>
Net position ending				<u>\$ 10,435,558</u>

*The notes to basic financial statements are an integral part of this statement.*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 18,101,430	\$ 51,170,061	\$ 7,651,195	\$ 2,249,818	\$ 79,172,504
Accounts receivable	933,424	70,845	11,382	17,208	1,032,859
Other assets	8,521	-	-	-	8,521
<b>Total Assets</b>	<b>\$ 19,043,375</b>	<b>\$ 51,240,906</b>	<b>\$ 7,662,577</b>	<b>\$ 2,267,026</b>	<b>\$ 80,213,884</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 609,025	\$ 2,077,595	\$ -	\$ -	\$ 2,686,620
Unearned revenue	184,188	-	-	-	184,188
<b>Total Liabilities</b>	<b>793,213</b>	<b>2,077,595</b>	<b>-</b>	<b>-</b>	<b>2,870,808</b>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Revolving fund	1,000	-	-	-	1,000
Prepaid expenses	8,521	-	-	-	8,521
<b>Restricted for:</b>					
Capital projects	-	49,163,311	-	-	49,163,311
Educational programs	2,104,329	-	-	-	2,104,329
Site repairs	-	-	-	94,801	94,801
Debt service	-	-	7,662,577	-	7,662,577
<b>Committed for:</b>					
Repairs and maintenance	-	-	-	2,027,097	2,027,097
Site repairs	-	-	-	145,128	145,128
<b>Assigned for:</b>					
PBS Amoritzation and Maintenance	544,050	-	-	-	544,050
Capital projects	3,000,000	-	-	-	3,000,000
Educational programs	9,859,336	-	-	-	9,859,336
<b>Unassigned:</b>					
Economic uncertainties	900,794	-	-	-	900,794
Unappropriated	1,832,132	-	-	-	1,832,132
<b>Total Fund Balances</b>	<b>18,250,162</b>	<b>49,163,311</b>	<b>7,662,577</b>	<b>2,267,026</b>	<b>77,343,076</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,043,375</b>	<b>\$ 51,240,906</b>	<b>\$ 7,662,577</b>	<b>\$ 2,267,026</b>	<b>\$ 80,213,884</b>

*The notes to basic financial statements are an integral part of this statement.*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

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Total fund balances - governmental funds		\$ 77,343,076
<p>Amounts reported for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$121,916,307 and the accumulated depreciation is \$28,438,190.</p>		
		93,478,117
<p>Interest payable on long-term debt does not require the use of current financial resources and, therefore, are not reported in the governmental funds.</p>		
		(1,750,000)
<p>The differences between projected and actual amounts in pension and OPEB plans are not included in the plans actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position as follows:</p>		
<p>OPEB adjustments:</p>		
Difference between actual and expected experience		(774,692)
Difference between actual and expected earnings		176,425
Contribution subsequent to measurement date		670,781
<p>Pension adjustments:</p>		
Difference between actual and expected experience		(556,900)
Difference between actual and expected earnings		967,126
Change in assumptions		2,357,197
Differences in proportionate share of contributions		(757,309)
Changes in employer's proportionate shares		579,350
Contribution subsequent to measurement date		2,930,137
<p>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 consists of:</p>		
General obligation bonds	\$ 121,430,000	
Net pension liabilities	31,113,523	
Unamortized bond premium	9,939,592	
Net OPEB liability	1,437,137	
Compensated absences (vacation)	307,498	(164,227,750)
Total net position - governmental activities		\$ 10,435,558

*The notes to basic financial statements are an integral part of this statement.*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
LCFF sources	\$ 22,846,779	\$ -	\$ -	\$ 158,000	\$ 23,004,779
Federal	796,949	-	-	-	796,949
Other state	2,348,653	-	6,334	-	2,354,987
Other local	5,657,376	225,296	4,257,200	178,066	10,317,938
<b>Total revenues</b>	<b>31,649,757</b>	<b>225,296</b>	<b>4,263,534</b>	<b>336,066</b>	<b>36,474,653</b>
<b>Expenditures:</b>					
<b>Current</b>					
Instruction	19,624,022	-	-	-	19,624,022
<b>Instruction-related services:</b>					
Supervision of instruction	764,737	-	-	-	764,737
Instruction library, media and technology	347,246	-	-	-	347,246
School site administration	1,521,831	-	-	-	1,521,831
<b>Pupil services:</b>					
Home-to-school transportation	596,104	-	-	-	596,104
Food services	38,057	-	-	-	38,057
All other pupil services	1,492,272	-	-	-	1,492,272
<b>General administration:</b>					
Data processing	816,557	-	-	-	816,557
All other general administration	2,025,384	-	-	-	2,025,384
Plant services	2,675,030	-	-	70,604	2,745,634
Facility acquisition and construction	39,017	6,212,765	-	-	6,251,782
Ancillary Services	1,473	-	-	-	1,473
Other outgo	86,213	-	-	-	86,213
<b>Debt service:</b>					
Principal	-	-	5,760,000	-	5,760,000
Interest and fees	-	212,000	3,513,537	-	3,725,537
<b>Total expenditures</b>	<b>30,027,943</b>	<b>6,424,765</b>	<b>9,273,537</b>	<b>70,604</b>	<b>45,796,849</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,621,814</b>	<b>(6,199,469)</b>	<b>(5,010,003)</b>	<b>265,462</b>	<b>(9,322,196)</b>
<b>Other financing sources (uses):</b>					
Operating transfers in	-	1,660	-	-	1,660
Operating transfers out	-	-	-	(1,660)	(1,660)
Proceeds from long-term debt	-	40,000,000	-	-	40,000,000
Premium from bond issuance	-	-	4,619,243	-	4,619,243
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>40,001,660</b>	<b>4,619,243</b>	<b>(1,660)</b>	<b>44,619,243</b>
<b>Net change in fund balances</b>	<b>1,621,814</b>	<b>33,802,191</b>	<b>(390,760)</b>	<b>263,802</b>	<b>35,297,047</b>
Fund balances beginning	16,621,067	15,361,120	8,053,337	2,003,224	42,038,748
Prior period adjustment - GASB 84	7,281	-	-	-	7,281
Fund balance beginning as adjusted	16,628,348	15,361,120	8,053,337	2,003,224	42,046,029
Fund balances ending	<b>\$ 18,250,162</b>	<b>\$ 49,163,311</b>	<b>\$ 7,662,577</b>	<b>\$ 2,267,026</b>	<b>\$ 77,343,076</b>

*The notes to basic financial statements are an integral part of this statement.*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Total net change in fund balances - governmental funds	\$ 35,297,047
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions net of transfers of \$4,664,821 is greater than than depreciation expense of \$2,297,660.	2,367,161
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:	
Proceeds from bond issuance	(40,000,000)
Proceeds from bond premiums	(4,619,243)
Amortization of loss on refunding	(47,221)
Repayment of bond principal	5,760,000
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt:	447,180
In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	(1,651,167)
In the statement of activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation time earned was greater than the amount used by:	(57,186)
In governmental funds, actual contributions to pension and OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension OPEB expense as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	496,904
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>(3,000)</u>
Changes in net position of governmental activities	<u>\$ (2,009,525)</u>

*The notes to basic financial statements are an integral part of this statement.*

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

A. Accounting Principles

The Las Lomas Elementary School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Reporting Entity

The District was organized under the laws of the State of California. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The District provides educational services to grades kindergarten through eighth and operates one elementary school and one middle school. The District’s combined financial statements include the accounts of all its operations.

Component Units:

The District evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit’s reporting entity for financial reports is the ability of the governmental unit’s elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit’s power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2021, the District does not have any component units and is not a component unit of any other reporting entity.

C. Basis of Presentation

**Government-wide Financial Statements:**

The government-wide financial statements (i.e., the statement of Net Position and the statement of Activities) report information on all of the non-fiduciary activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund



**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. 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. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as 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 of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements:**

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

**Revenues - Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 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. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year.

Non-exchange transactions, in which the District receives value *without* directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Deferred Inflows:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding which is reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension liability reported in the Statement of Net Position.

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

Unearned Revenue:

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue:

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major and nonmajor as follows:

**Major Governmental Funds:**

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and includes transactions accounted for in the Special Reserve Fund for Other Than Capital Projects.

The *Building Fund* is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of the funding of general obligation bonds issued by the District.

**Nonmajor Governmental Funds:**

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The District maintains the following nonmajor special revenue fund:

- The *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of district property.

*Capital Projects Funds* are used to account for resources restricted, committed or assigned for capital outlays. The District maintains the following nonmajor capital projects funds:

- The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).
- The *Special Reserve Fund for Capital Projects* exists primarily to account for major repairs of buildings and operational systems, construction or remodeling, new or replacement equipment, and any other qualifying capital expenditures.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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F. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Encumbrances

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

H. 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 District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and STRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

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

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
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I. Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan's actuarial reports. 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.

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

J. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

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Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

3. Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method, in that inventory acquisitions are initially recorded as expenditures. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

The District’s central warehouse inventory is valued at a moving average cost and consists of expendable supplies held for consumption. The District has the option of reporting expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

4. Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset’s lives are not capitalized but are expensed as incurred.

Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvement of sites	20
Buildings	50
Portable buildings	20
Building improvements	20
Furniture and fixtures	20
Playground equipment	20
Food services equipment	15
Transportation equipment	15
Telephone system	10
Vehicles	8
Computer system and equipment	5
Office equipment	3-5

5. Compensated Absences

All vacation pay plus related payroll tax is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
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6. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

7. Fund Balance Classifications

The District maintains a minimum unassigned fund balance of not less than 3 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The District believes a reserve of this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aide districts are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education, the County Office maintains a reserve for economic uncertainties to safeguard the County Office's financial stability. The minimum recommended reserve for a County Office of this size is a minimum of three percent of budgeted general fund expenditures and other financing uses. The County Office policy is to maintain the reserve at six percent.

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Nonspendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* fund balances includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent and the Assistant Superintendent of Business Services.
- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
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The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In order to comply with the requirements of GASB 54, the District has combined transactions in the Special Reserve fund for Other than Capital Outlay (Special Reserve Fund) with the General Fund because those funds do not meet the definition of a special revenue fund as defined by GASB 54.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net 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. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

As of June 30, 2021, capital assets net of accumulated depreciation totaling \$93,478,117 was increased by unspent bond proceeds of \$49,163,311. It was then reduced by related debt of \$121,430,000 and premiums of \$9,939,592.

*Capital Projects* restrictions will be used for the acquisition and construction of capital facilities.

*Debt Service* restrictions reflect the cash balances in the debt service funds that are restricted for debt service payments by debt covenants.

*Educational Program* restrictions reflect the amounts to be expended on specific school programs that are legally restricted.

*Unrestricted net position* reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

9. Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K-12 funding streams, including revenue limits and most state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.



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The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on August 31 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other school districts in the County to form the San Mateo County Schools Insurance Group (SMCSIG) public entity risk pools currently operating as common risk management and insurance programs. The District pays an annual premium for its property and casualty, workers' compensation, medical, unemployment and liability insurance coverage. The Joint Powers Agreements provide that SMCSIG will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of self-insured levels.

11. Interfund Transactions

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are eliminated as part of the reconciliation to the government-wide financial statements.

12. Accounting Estimates

The presentation of 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 reported amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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J. Implemented New Accounting Pronouncements

**GASB Statement No. 84, *Fiduciary Activities***

Issued in January 2017, this statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and describes four fiduciary funds that should be reported, if applicable. The statement is effective beginning fiscal year 2021. Items previously reported as part of the agency fund classification of the Fiduciary Funds statements were reviewed to evaluate if they met the new custodial funds criteria. The District included \$7,281 related to its student bond accounts in the general fund to reclassify student body funds previously reported as Agency funds. The student body funds were evaluated to determine if they were custodial funds as identified by GASB 84, but did not meet the definition of custodial funds and were identified as non-fiduciary.

K. Upcoming Accounting and Reporting Changes

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

**GASB Statement No. 87, *Leases***

Issued in June 2017, this statement establishes standards of accounting and financial reporting for leases by lessees and lessors. It provides guidance on accounting treatment of lease assets, lease liability, short-term leases, certain regulated leases, measurement for leases other than short-term leases and contracts that transfer ownership, subleases, lease-leaseback transactions, intra-entity leases, and leases between related parties. The statement will be effective beginning fiscal year 2022.

**GASB Statement No. 91, *Conduit Debt Obligations***

Issued in May 2019, this statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement will be effective beginning fiscal year 2023. GASB Statement No. 92, "Omnibus 2020." Issued in January 2020, this statement was issued for clarity and consistency by addressing practice issues identified from the implementation and application of certain GASB statements. The statement will be effective beginning fiscal year 2022.

**GASB Statement No. 93, *Replacement of Interbank Offered Rates***

Issued in March 2020, this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The statement will be effective beginning fiscal year 2022.

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

Issued in March 2020, this statement is to improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangement

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(APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement will be effective beginning fiscal year 2023.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***

Issued in May 2020, the statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for governments by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requiring note disclosures regarding a SBITA. The statement will be effective beginning fiscal year 2023.

**GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***

Issued in June 2020, the statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans. The statement will be effective beginning fiscal year 2022..

**NOTE 2 - CASH AND INVESTMENTS**

A summary of cash and investments as of June 30, 2021 is as follows:

<u>Deposit or Investment</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<i>Government-Wide Statements:</i>		
Cash in county treasury investment pool	\$ 79,158,647	\$ 79,451,534
Cash with fiscal agent	2	2
Cash in revolving fund	1,000	1,000
Cash in banks	12,855	12,855
Total Cash and Investments	<u>\$ 79,172,504</u>	<u>\$ 79,465,391</u>

**Cash in banks and revolving funds**

Cash balances in banks and revolving funds are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). These accounts are held within various financial institutions. As of June 30, 2021, the bank balance of the District’s bank accounts was fully insured by FDIC.

**Cash 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.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
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**Fair Value Measurements**

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

Investments in the San Mateo County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

**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.

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

**1. 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 the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the County of San Mateo Investment Pool. The pool has a fair value of approximately \$2.12 billion and an amortized book value of \$2.11 billion.

**2. Credit Risk**

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment policy. The investment with the San Mateo County Investment Pool is rated at least A-1 by Standard & Poor's.

**3. Custodial Credit Risk – Deposits**

Custodial credit risk 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 agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having

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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.

**4. Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following as of June 30, 2021:

<u>Accounts Receivable</u>	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Federal Government	\$ 244,363	\$ -	\$ -	\$ -	\$ 244,363
State Government	260,774	-	-	-	260,774
Local Resources	113,035	70,845	-	-	183,880
Other Resources	315,252	-	11,382	17,208	343,842
Total Accounts Receivable	<u>\$ 933,424</u>	<u>\$ 70,845</u>	<u>\$ 11,382</u>	<u>\$ 17,208</u>	<u>\$ 1,032,859</u>

**NOTE 4 - INTERFUND TRANSACTIONS**

Interfund transactions are reported as loans, services provided reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

Capital assets consisted of the following as of June 30, 2021:

Capital Assets	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Land - not depreciable	\$ 3,502,038	\$ -	\$ -	\$ 3,502,038
Work-in-progress - not depreciable	7,210,985	4,664,821	(1,547,884)	10,327,922
Buildings	98,273,846	1,547,884	-	99,821,730
Site improvements	5,405,423	-	-	5,405,423
Equipment	2,859,194	-	-	2,859,194
<b>Total capital assets</b>	<b>117,251,486</b>	<b>6,212,705</b>	<b>(1,547,884)</b>	<b>121,916,307</b>
Less accumulated depreciation for:				
Buildings	18,743,928	1,794,990	-	20,538,918
Site improvements	4,709,476	330,602	-	5,040,078
Equipment	2,687,126	172,068	-	2,859,194
<b>Total accumulated depreciation</b>	<b>26,140,530</b>	<b>2,297,660</b>	<b>-</b>	<b>28,438,190</b>
<b>Total capital assets - net depreciation</b>	<b>\$ 91,110,956</b>	<b>\$ 3,915,045</b>	<b>\$ (1,547,884)</b>	<b>\$ 93,478,117</b>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,584,118
Supervision of instruction	44,913
Instruction library, media and technology	131,702
School site administration	58,839
Home-to-school transportation	72,372
All other pupil services	18,554
All other general administration	28,652
Plant services	358,510
<b>Total depreciation expense</b>	<b>\$ 2,297,660</b>

**NOTE 6 - SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES**

The following is a schedule of changes in long-term liabilities for the year ended June 30, 2021:

Long-term Liabilities	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
General obligation bonds	\$ 87,190,000	\$ 40,000,000	\$ 5,760,000	\$ 121,430,000	\$ 1,785,000
Unamortized bond premium	5,767,529	4,619,243	447,180	9,939,592	-
Net pension liability	29,182,837	10,169,405	8,238,719	31,113,523	-
Net OPEB Liability	1,727,276	1,847,335	2,137,474	1,437,137	-
Compensated absences	250,312	57,186	-	307,498	-
<b>Total Long-term Liabilities</b>	<b>\$ 124,117,954</b>	<b>\$ 56,693,169</b>	<b>\$ 16,583,373</b>	<b>\$ 164,227,750</b>	<b>\$ 1,785,000</b>

Payments on the general obligation bonds are made by the bond interest and redemption fund from local revenues. The compensated absences will be paid by the fund for which the employee worked.

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**NOTE 7 - LONG-TERM LIABILITIES**

Through elections, the District received authorization to issue general obligation bonds that requires the county to levy annual ad valorem taxes for the payment of interest and principal on the bonds. Bond proceeds are used to build additional classrooms and to perform repairs and renovations.

On March 11, 2015, the District issued \$11,495,000 of 2015 General Obligation Refunding Bonds. The bonds were issued under and pursuant to a Resolution of the Board of Education. Interest is payable on July 1 and January 1 and principal is payable on July 1 each year through maturity. The proceeds of the Bonds were used to refund a portion of the outstanding principal of the District's 2005 General Obligation Refunding Bonds in the amount of \$12,515,000. The proceeds of the prior bonds were used to defease various General Obligation Bonds. The proceeds of the new bonds have been used to purchase U.S. Government Securities that were placed in separate irrevocable trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the advance refunding met the requirements of an in-substance debt defeasance and therefore was removed as a liability from the District's government-wide financial statements. The advance refunding of the 2005 general obligation refunding bonds resulted in a difference of \$253,678 between the reacquisition price and the net carrying value amount of the old debt. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged (amortized) to operations through fiscal year 2021 using the straight line method. The District completed the advance refunding to reduce its total debt service payments over the next 5 years by \$520,968 and received a premium of \$1,392,509.

On March 11, 2015 the District issued \$30,000,000 of 2013 General Obligation Bonds, Series A, to finance construction projects and facilities improvements. Gross proceeds from the bond were \$32,673,476, which included a premium of \$2,673,476. Net proceeds of \$32,370,550 were deposited with the County in the District's name, after bond issuance costs of \$211,815 and underwriter's discounts of \$91,111. Of the net proceeds deposited, \$29,788,185 was deposited into the Measure S building fund and \$2,585,365 was recorded in the bond interest and redemption fund.

On October 3, 2017 the District issued \$30,000,000 of 2013 General Obligation Bonds, Series B, to finance construction projects and facilities improvements. Gross proceeds from the bond were \$32,165,912, which included a premium of \$2,165,912. Net proceeds of \$32,165,912 were deposited with the County in the District's name, after bond issuance costs of \$215,000 and underwriter's discounts of \$93,633. Of the net proceeds deposited, \$29,785,000 was deposited into the Measure S building fund.

On September 12, 2018 the District issued \$30,000,000 of 2018 General Obligation Bonds, Series A, to finance construction projects and facilities improvements. Gross proceeds from the bond were \$31,740,109, which included a premium of \$1,740,109. Net proceeds of \$31,740,109 were deposited with the County in the District's name, after bond issuance costs of \$223,000 and underwriter's discounts of \$93,347. Of the net proceeds deposited, \$29,777,000 was deposited into the Measure R building fund and \$1,645,762 was deposit into the Debt Service Fund.

On May 4, 2021 the District issued \$40,000,000 of 2018 General Obligation Bonds, Series B, to finance construction projects and facilities improvements. Gross proceeds from the bond were \$44,619,243, which included a premium of \$4,619,243. Net proceeds of \$44,267,094 were deposited with the County in the District's name, after bond issuance costs of \$352,149. Of the net proceeds deposited, \$39,788,000 was deposited into the Measure R building fund and \$4,479,094 was deposit into the Debt Service Fund.

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The outstanding General Obligation Bond debt consisted of the following as of June 30, 2021:

Bonds	Year Issued	Interest Rate	Year of Maturity	Original Issue	Outstanding July 01, 2020	Issued	Redeemed	Outstanding June 30, 2021
2013 GOB, Series A	2015	1.75-5%	2041	\$ 30,000,000	\$ 25,780,000	\$ -	\$ 205,000	\$ 25,575,000
2013 GOB, Series B	2018	1.75-5%	2040	30,000,000	28,685,000	-	545,000	28,140,000
2015 GOB Refunding	2015	1.75-5%	2021	11,495,000	2,725,000	-	2,725,000	-
2018 GOB, Series A	2019	1.51-4%	2044	30,000,000	30,000,000	-	2,285,000	27,715,000
2018 GOB, Series B	2021	2-4%	2041	40,000,000	-	40,000,000	-	40,000,000
<b>Total Bonds</b>				<b>\$ 141,495,000</b>	<b>\$ 87,190,000</b>	<b>\$ 40,000,000</b>	<b>\$ 5,760,000</b>	<b>\$ 121,430,000</b>

The annual debt service requirements of the General Obligation Bonds consisted of the following as of June 30, 2021:

Year Ending June 30	Principal	Interest	Total
2022	\$ 1,785,000	\$ 3,869,634	\$ 5,654,634
2023	2,725,000	4,346,138	7,071,138
2024	2,960,000	4,275,963	7,235,963
2025	3,125,000	4,186,038	7,311,038
2026	2,520,000	4,085,438	6,605,438
2026-2030	18,200,000	18,410,715	36,610,715
2031-2035	30,880,000	13,385,977	44,265,977
2036-2040	47,380,000	6,302,666	53,682,666
2041-2045	11,855,000	507,288	12,362,288
<b>Total Debt Service</b>	<b>\$ 121,430,000</b>	<b>\$ 59,369,857</b>	<b>\$ 180,799,857</b>

**NOTE 8 - JOINT VENTURES (JOINT POWERS AGREEMENTS)**

The District participates in a joint venture under a joint powers agreement (JPA) with the San Mateo County Schools Insurance Group (SMCSIG). The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. The SMCSIG arranges and provides workers' compensation, medical, property and liability insurance for its members. The JPA is governed by a board consisting of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA.

The following is a summary the JPA financial statement information:

	SMCSIG June 30, 2020
Total Assets and Deferred Outflows	\$ 26,765,380
Total Liabilities and Deferred Inflows	11,162,290
Total Equity	15,603,090
Total Revenues	45,275,439
Total Expenditures	45,026,058



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**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**State and Federal Allowances, Awards, and Grants**

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

**Litigation**

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2021.

**Commitments**

As of June 30, 2021, the District had a remaining commitment of approximately \$2 million towards construction. These commitments are not a liability of the District's until services or goods have been rendered.

**NOTE 10 - CALPERS PENSION PLAN**

***General Information about the PERS Pension Plan***

**Plan Description** - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** - CalPERS provides 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 credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

	CalPERS	
	Classic	PEPRA
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age: minimum	50	52
Monthly benefits as a % of eligible compensation	(1)	(1)
Required employee contribution rates	7.000%	7.000%
Required employer contribution rates	20.700%	20.700%

(1) Monthly benefit is a product of benefit factor, years of service, and final compensation

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

For the year ended June 30, 2021 the District's contributions were as follows:

	CalPERS
Employer Contributions	\$ 900,832

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to PERS***

As of June 30, 2021, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
CalPERS	\$ 8,824,453

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	<b>CalPERS</b>
Proportion - June 30, 2020	0.02886%
Proportion - June 30, 2021	0.02876%
Change - Increase/(Decrease)	-0.00010%

For the year ended June 30, 2021, the District recognized pension expense of \$1,718,227 for the Plan. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>CalPERS</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 32,360	\$ -
Differences between Expected and Actual Experience	437,666	-
Differences between Projected and Actual Investment Earnings	183,697	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	202,957
Change in Employer's Proportion	118,502	39,526
Pension Contributions Made Subsequent to Measurement Date	900,832	-
<b>Total</b>	<b>\$ 1,673,057</b>	<b>\$ 242,483</b>

The District reported \$900,832 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
<b>Ending June 30:</b>	<b>CalPERS</b>
2022	\$ 190,602
2023	175,796
2024	82,720
2025	80,623
2026	-
Thereafter	-
<b>Total</b>	<b>\$ 529,741</b>

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**Actuarial Assumptions** - The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

- (1) Varies by entry age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

**Discount Rate** - The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class

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

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

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

- (a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.00% used for this period.
- (c) An expected inflation of 2.92% used for this period.

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

	<u>CalPERS</u>
1% Decrease	6.15%
Net Pension Liability	\$ 12,686,760
Current	7.15%
Net Pension Liability	\$ 8,824,453
1% Increase	8.15%
Net Pension Liability	\$ 5,618,931

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE 11 - CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (STRS) PENSION PLAN**

***General Information about the STRS Pension Plan***

**Plan Description** - The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by

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state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information.

**Benefits Provided** - STRS provides 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 credited service, equal to one year of full time employment. The cost of living adjustments for the Plan are applied as specified by the retirement Law. The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<b>CalSTRS</b>	
	Tier 1	Tier 2
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age:	60	62
Monthly benefits as a		
% of eligible compensation	2%	2%
Required employee contribution rates	10.250%	10.205%
Required employer contribution rates	16.150%	16.150%
Required State contribution rates	10.328%	10.328%

**Contributions** - As part of the annual valuation process, the Normal Cost rate is determined as the basis for setting the base member contribution rate for the following fiscal year. Generally, the base member contribution rate is one-half of the Normal Cost rate within certain parameters. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2021 the District's contributions were as follows:

	<b>CalSTRS</b>
Employer Contributions	\$ 2,029,305
State Contributions	1,293,657
Total	\$ 3,322,962

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***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to STRS***

As of June 30, 2021, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<b>Proportionate Share of Net Pension Liability/(Asset)</b>	
District	\$	22,289,070
State		11,490,016
<b>Total</b>	<b>\$</b>	<b>33,779,086</b>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The state contributed 10.46% percent of the members' creditable earnings from the fiscal year ending in the prior calendar year. Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046..

The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	<b>CalSTRS</b>
Proportion - June 30, 2020	0.02300%
Proportion - June 30, 2021	0.02300%
Change - Increase/(Decrease)	0.00000%

For the year ended June 30, 2021, the District recognized pension expense of \$3,037,153 for the Plan, which included a state contribution of \$1,293,657. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>CalSTRS</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 2,173,500	\$ -
Differences between Expected and Actual Experience	39,330	628,590
Differences between Projected and Actual Investment Earnings	529,460	-
Differences between Employer's Contributions and Proportionate Share of Contributions	45,277	599,629
Change in Employer's Proportion	1,039,157	538,783
Pension Contributions Made Subsequent to Measurement Date	2,029,305	-
<b>Total</b>	<b>\$ 5,856,029</b>	<b>\$ 1,767,002</b>

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The District reported \$2,029,305 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
<b>Ending June 30:</b>	<b>CalSTRS</b>
2022	\$ 117,870
2023	664,120
2024	989,624
2025	376,423
2026	(53,633)
Thereafter	(34,681)
<b>Total</b>	<b>\$ 2,059,723</b>

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	7.10%
Inflation	2.75%
Wage Growth	3.50%
Postretirement Benefit Increases	(1)
Investment Rate of Return	7.10% (2)
Mortality	(3)

- (1) 2% simple for DB (annually), maintain 85% purchasing power level for DB. Not applicable for DBS/CBB
- (2) Net of investment expense but gross of administrative expenses.
- (3) Based on 110% of the MP-2016 Ultimate Projection

**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 that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit



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payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return (a) (b)</u>
Global Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Estate	15.00%	3.55%
Inflation Sensitive	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigation Strategies	10.00%	1.75%
Liquidity	2.00%	-0.35%
Total	<u>100.00%</u>	

(a) Real return is net of assumed 2.75% inflation.

(b) 20-year geometric average.

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

	<u>CalSTRS</u>
1% Decrease	6.10%
Net Pension Liability	\$ 33,675,680
Current	7.10%
Net Pension Liability	\$ 22,289,070
1% Increase	8.10%
Net Pension Liability	\$ 12,887,820

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued STRS financial reports.

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The District's Postemployment Healthcare Plan (the OPEB plan) is a single-employer defined benefit healthcare plan.

**Benefits Provided** - The following is a summary of the plan benefits provided:

	Certificated	Classified
<b>Benefits Provided:</b>	Medical Only	Medical Only
<b>Duration of Benefits:</b>	Lifetime*	Lifetime**
<b>Required Services:</b>	10 years at age 60 plus one year per additional year before age 60	10 years at age 65 plus one year per additional year before age 65 to maximum of 20 years at age 55
<b>Minimum Age:</b>	55	55
<b>Dependent Coverage:</b>	No	No
<b>Contribution Percentage:</b>	50%	60%
<b>Cap:</b>	50% of least expensive of four plans with greatest participation	60% of least expensive plan

\* Those hired after 12/31/2010 are eligible for these benefits only to Medicare age

\*\* Those hired after 5/31/2011 are eligible got these benefits only to Medicare age

**Employees Covered by Benefit Terms** - At June 30, 2019 (the valuation date), the benefit terms covered the following employees:

Active employees	154
Inactive employees	85
<b>Total employees</b>	<b>239</b>

**Contributions** - The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions to the OPEB plan during the year were \$666,764. Total contributions included in the measurement period were \$670,781. The actuarially determined contribution for the measurement period was \$666,764. The District's contributions and benefit payments were 4.09% of payroll during the fiscal year ended June 30, 2021. Employees are not required to contribute to the plan. The plan fiduciary net position assets are accumulated in an irrevocable trust.

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**Actuarial Assumptions** - The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

<b>Valuation Date:</b>	June 30, 2019
<b>Measurement Date:</b>	June 30, 2020
<b>Actuarial Cost Method:</b>	Entry-Age Normal
<b>Amortization Period:</b>	20 years
<b>Asset Valuation Method:</b>	Level percentage of payroll, closed
<b>Actuarial Assumptions:</b>	
<b>Discount Rate</b>	7.00%
<b>Inflation</b>	2.63%
<b>Salary Increases</b>	2.75%
<b>Healthcare Trend Rate</b>	1.00%
<b>Investment Rate of Return</b>	7.0%, Net of OPEB plan investment expenses, including inflation
<b>Mortality</b>	2009 CalSTRS Mortality and 2014 CalPERS Active Mortality for Miscellaneous Employees
<b>Retirement</b>	Certificated 2009 CalSTRS Retirement Rates Hired before 2013: 2009 CalPERS Retirement Rates for School Employees Hired after 2012: 2009 CalPERS 2%@ 60 Retirement Rates for Miscellaneous Employees adjusted to reflect minimum retirement age 52
<b>Service Requirement</b>	Certificated Management: 100% at age plus service of at least 70 and minimum 10 years of service Certificated: 100% at age plus service of at least 70 and minimum 10 years of service Classified: 100% at age plus service of at least 75 and minimum 10 years of service Classified Management: 100% at age plus service of at least 75 and minimum 10 years of service

**Discount Rate** - The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set to be equal to the long-term expected rate of return which was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return** - The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the

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expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
US Large Cap	43.00%	7.675%
US Small Cap	23.00%	7.675%
Long-Term Corporate Bonds	12.00%	5.175%
Long-Term Government Bonds	6.00%	4.380%
Treasury Inflation Protected Securities (TIPS)	5.00%	7.675%
US Real Estate	8.00%	7.675%
All Commodities	3.00%	7.675%
<b>Total</b>	<b>100.00%</b>	

**Changes in the Net OPEB Liability** - The following summarizes the changes in the net OPEB liability during the year ended June 30, 2021:

<u>Fiscal Year Ended June 30, 2021 (Measurement Date June 30, 2019)</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
<b>Balance at June 30, 2019</b>	\$ 6,898,876	\$ 5,171,600	\$ 1,727,276
Service cost	156,502	-	156,502
Interest in Total OPEB Liability	477,100	-	477,100
Employer contributions	-	666,764	(666,764)
Balance of diff between actual and exp experience	(78,069)	-	(78,069)
Actual investment income	-	181,434	(181,434)
Administrative expenses	-	(2,526)	2,526
Benefit payments	(244,764)	(244,764)	-
<b>Net changes</b>	<b>310,769</b>	<b>600,908</b>	<b>(290,139)</b>
<b>Balance at June 30, 2021</b>	<b>\$ 7,209,645</b>	<b>\$ 5,772,508</b>	<b>\$ 1,437,137</b>
Covered Employee Payroll	\$ 16,381,829		
Total OPEB Liability as a % of Covered Employee Payroll	44.01%		
Plan Fid. Net Position as a % of Total OPEB Liability	80.07%		
Service Cost as a % of Covered Employee Payroll	0.96%		
Net OPEB Liability as a % of Covered Employee Payroll	8.77%		

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Deferred Inflows and Outflows of Resources** - At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between actual and expected experience	\$ -	\$ 774,692
Difference between actual and expected earnings	176,425	-
OPEB contribution subsequent to measurement date	670,781	-
<b>Totals</b>	<b>\$ 847,206</b>	<b>\$ 774,692</b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$666,764 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2022	\$ (85,556)
2023	(85,556)
2024	(80,402)
2025	(90,577)
2026	(129,629)
Thereafter	(126,547)
<b>Total</b>	<b>\$ (598,267)</b>

**OPEB Expense** - The following summarizes the OPEB expense by source during the year ended June 30, 2021, for the measurement date of June 30, 2020:

Service cost	\$ 156,501
Interest in TOL	477,100
Expected investment income	(376,694)
Difference between actual and expected experience	(129,629)
Difference between actual and expected earnings	44,073
Administrative expenses	2,526
<b>OPEB Expense</b>	<b>\$ 173,877</b>

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2021, for the measurement date of June 30, 2020:

Net OPEB liability ending	\$ 1,437,136
Net OPEB liability beginning	<u>(1,727,276)</u>
Change in net OPEB liability	(290,140)
Changes in deferred outflows	(281,110)
Changes in deferred inflows	78,362
Employer contributions and implicit subsidy	<u>666,764</u>
<b>OPEB Expense</b>	<b><u>\$ 173,877</u></b>

**Sensitivity to Changes in the Discount Rate** - The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Discount Rate		
	(1% Decrease )	7.00%	(1% Increase )
Net OPEB Liability (Asset)	\$ 2,384,403	\$ 1,437,136	\$ 660,223

**Sensitivity to Changes in the Healthcare Cost Trend Rates** - The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease )	1.00%	(1% Increase )
Net OPEB Liability (Asset)	\$ 566,278	\$ 1,437,136	\$ 2,490,563

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

Litigation

The District may be exposed to various claims and litigation. Management believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations

**NOTE 13 - COVID-19 PANDEMIC IMPACT**

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. The operations and business results of the District could be materially and adversely affected in the future, including a reduction in the level of funding and potential impacts from the

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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timing of cash flows. In addition, significant estimates may be materially and adversely impacted by national, state and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2021-2022 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students and employees and will continue to revise them as needed. At the date of the issuance of these financial statements, the future impact of the CV19 Crisis cannot be reasonably estimated.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	Original	Final		
Revenues:				
LCFF sources	\$ 22,343,839	\$ 22,865,347	\$ 22,846,779	\$ (18,568)
Federal	312,898	935,840	796,949	(138,891)
Other state	2,282,911	2,801,974	2,348,653	(453,321)
Other local	5,633,593	5,595,066	5,657,376	62,310
Total revenues	30,573,241	32,198,227	31,649,757	(548,470)
Expenditures:				
Certificated salaries	13,181,560	13,184,259	13,116,338	67,921
Classified salaries	4,337,342	4,572,392	4,325,226	247,166
Employee benefits	8,102,962	7,478,237	7,340,831	137,406
Books and supplies	987,797	3,564,567	1,323,049	2,241,518
Services and other operating expenses	3,165,400	3,741,011	3,686,546	54,465
Capital outlay	10,220	151,761	149,739	2,022
Other outgo	121,058	121,058	86,214	34,844
Total expenditures	29,906,339	32,813,285	30,027,943	2,785,342
Excess (deficiency) of revenues over (under) expenditures	666,902	(615,058)	1,621,814	2,236,872
Change in fund balance	\$ 666,902	\$ (615,058)	1,621,814	\$ 2,236,872
Fund balance beginning			16,621,067	
Prior period restatement - GASB 84			7,281	
Fund balance beginning as restated			16,628,348	
Fund balance ending			\$ 18,250,162	

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

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF CALPERS PENSION PLAN CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>CalPERS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Contractually Required Contributions	\$ 393,467	\$ 418,052	\$ 500,033	\$ 572,768	\$ 726,054	\$ 819,237	\$ 900,832
Contributions in Relation to Contractually Required Contributions	393,467	418,052	500,033	572,768	726,054	819,237	900,832
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 3,342,681</b>	<b>\$ 3,528,758</b>	<b>\$ 3,600,468</b>	<b>\$ 3,687,902</b>	<b>\$ 4,019,787</b>	<b>\$ 4,154,135</b>	<b>\$ 4,351,845</b>
<b>Contributions as a % of Covered Payroll</b>	<b>11.77%</b>	<b>11.85%</b>	<b>13.89%</b>	<b>15.53%</b>	<b>18.06%</b>	<b>19.72%</b>	<b>20.70%</b>

**Notes to Schedule:**

Valuation Date: June 30, 2019

Assumptions Used: Entry Age Method used for Actuarial Cost Method

Level Percentage of Payroll and Direct Rate Smoothing

4.1 Years Remaining Amortization Period

Inflation Assumed at 2.5%

Investment Rate of Returns set at 7.15%

CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.

The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.

In 2019, the amortization period for actuarial gains and losses was shortened from 30 years to 20 years.

The CalPERS mortality assumptions was adjusted in fiscal year 2019.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF CALPERS PROPORTIONATE SHARE  
OF NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>CalPERS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
District's Proportion of Net Pension Liability	0.02570%	0.02673%	0.02741%	0.02823%	0.02781%	0.02886%	0.02876%
District's Proportionate Share of Net Pension Liability	\$ 2,917,576	\$ 3,940,650	\$ 5,413,579	\$ 6,739,246	\$ 7,415,022	\$ 8,410,157	\$ 8,824,453
Covered Payroll	\$ 2,699,537	\$ 3,342,681	\$ 3,528,758	\$ 3,600,468	\$ 3,687,902	\$ 4,019,787	\$ 4,154,135
<b>Proportionate Share of NPL as a % of Covered Payroll</b>	<b>108.08%</b>	<b>117.89%</b>	<b>153.41%</b>	<b>187.18%</b>	<b>201.06%</b>	<b>209.22%</b>	<b>212.43%</b>
<b>Plan's Fiduciary Net Position as a % of the TPL</b>	<b>83.38%</b>	<b>79.43%</b>	<b>73.90%</b>	<b>71.87%</b>	<b>70.85%</b>	<b>70.05%</b>	<b>70.00%</b>

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.  
The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.  
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.  
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.  
In 2019, the amortization period for actuarial gains and losses was shortened from 30 years to 20 years.  
This schedule presents information on the District's portion of the net pension liability of CalPERS in compliance with GASB 68.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF STRS PENSION PLAN CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>CalSTRS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Contractually Required Contributions	\$ 955,622	\$ 1,174,440	\$ 1,426,933	\$ 1,741,837	\$ 2,000,193	\$ 2,159,124	\$ 2,029,305
Contributions in Relation to Contractually Required Contributions	955,622	1,174,440	1,426,933	1,741,837	2,000,193	2,159,124	2,029,305
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 10,761,509</b>	<b>\$ 10,945,387</b>	<b>\$ 11,342,870</b>	<b>\$ 12,070,942</b>	<b>\$ 12,286,198</b>	<b>\$ 12,626,456</b>	<b>\$ 12,565,356</b>
<b>Contributions as a % of Covered Payroll</b>	<b>8.88%</b>	<b>10.73%</b>	<b>12.58%</b>	<b>14.43%</b>	<b>16.28%</b>	<b>17.10%</b>	<b>16.15%</b>

**Notes to Schedule:**

Valuation Date: June 30, 2019  
Assumptions Used: Entry Age Method used for Actuarial Cost Method  
Level Percentage of Payroll Basis  
7 Years Remaining Amortization Period  
Inflation Assumed at 2.75%  
Investment Rate of Returns set at 7.10%  
Mortality tables are based on 110% of the MP-2019 Ultimate Projection Scale table issued by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.  
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.  
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.  
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.  
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.  
This schedule provides information about the District's required and actual contributions to CalSTRS during the year.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF STRS PROPORTIONATE SHARE  
OF NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>CalSTRS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
District's Proportion of Net Pension Liability	0.02300%	0.02042%	0.02068%	0.02100%	0.02200%	0.02300%	0.02300%
District's Proportionate Share of Net Pension Liability	\$ 13,440,510	\$ 13,747,575	\$ 16,730,115	\$ 19,420,590	\$ 20,219,540	\$ 20,772,680	\$ 22,289,070
State's Proportionate Share of Net Pension Liability Associated with the District	8,115,918	7,270,955	9,524,120	11,489,027	11,576,698	11,332,951	11,490,016
Total	<u>\$ 21,556,428</u>	<u>\$ 21,018,530</u>	<u>\$ 26,254,235</u>	<u>\$ 30,909,617</u>	<u>\$ 31,796,238</u>	<u>\$ 32,105,631</u>	<u>\$ 33,779,086</u>
Covered Payroll	\$ 10,425,309	\$ 10,761,509	\$ 10,945,387	\$ 11,342,870	\$ 12,070,942	\$ 12,286,198	\$ 12,626,456
<b>District's Proportionate Share of NPL as a % of Covered Payroll</b>	<b>128.92%</b>	<b>127.75%</b>	<b>152.85%</b>	<b>171.21%</b>	<b>167.51%</b>	<b>169.07%</b>	<b>176.53%</b>
<b>Plan's Fiduciary Net Position as a % of the TPL</b>	<b>76.52%</b>	<b>74.02%</b>	<b>70.04%</b>	<b>69.46%</b>	<b>70.99%</b>	<b>72.56%</b>	<b>71.82%</b>

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.  
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.  
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.  
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.  
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

This schedule presents information on the District's portion of the net pension liability of CalSTRS in compliance with GASB 68.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF CONTRIBUTIONS FOR  
OTHER POSTEMPLOYMENT BENEFITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>Fiscal Year Ended</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contribution (ADC)	\$ 455,533	\$ 409,145	\$ 331,397	\$ 294,683
Less: actual contribution in relation to ADC	(671,460)	(667,451)	(666,764)	(670,781)
Contribution deficiency (excess)	\$ (215,927)	\$ (258,306)	\$ (335,367)	\$ (376,098)
Covered employee payroll	\$ 15,516,677	\$ 15,943,386	\$ 16,381,829	\$ 16,832,329
Contrib. as a % of covered employee payroll	4.33%	4.19%	4.07%	3.99%

**Notes to Schedule:**

*Assumptions and Methods*

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Actuarial Cost Method:	Entry-Age Normal Cost
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.630%
Salary Increases	2.750%
Healthcare Trend Rate	1.00%
Investment Rate of Return	7.0%, Net of OPEB plan investment expenses, including inflation
Mortality	2009 CalSTRS Mortality and 2014 CalPERS Active Mortality for Miscellaneous Employees
Retirement	Certificated 2009 CalSTRS Retirement Rates Hired before 2013: 2009 CalPERS Retirement Hired after 2012: 2009 CalPERS 2%@ 60

*Other Notes*

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

There were no changes in discount rates, trend rates or assumptions.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Fiscal Year Ended	2018	2019	2020	2021
<b>Total OPEB liability</b>				
Service cost	\$ 158,544	\$ 162,904	\$ 167,384	\$ 156,501
Interest	472,037	493,822	516,610	477,100
Differences between expected and actual experience	-	-	(945,999)	(78,069)
Benefit payments	(317,391)	(330,087)	(303,943)	(244,764)
Net change in Total OPEB Liability	313,190	326,639	(565,948)	310,768
Total OPEB Liability - beginning	6,824,995	7,138,185	7,464,824	6,898,876
Total OPEB Liability - ending	<u>\$ 7,138,185</u>	<u>\$ 7,464,824</u>	<u>\$ 6,898,876</u>	<u>\$ 7,209,644</u>
<b>Plan fiduciary net position</b>				
Employer contributions	\$ 667,077	\$ 671,460	\$ 667,451	\$ 666,764
Net investment income	337,720	309,394	278,922	181,434
Benefit payments	(317,391)	(330,087)	(303,943)	(244,764)
Other	-	1,950	-	-
Administrative expense	(2,850)	(7,215)	(970)	(2,526)
Net change in plan fiduciary net position	684,556	645,502	641,460	600,908
Plan fiduciary net position - beginning	3,200,082	3,884,638	4,530,140	5,171,600
Plan fiduciary net position - ending	<u>\$ 3,884,638</u>	<u>\$ 4,530,140</u>	<u>\$ 5,171,600</u>	<u>\$ 5,772,508</u>
Net OPEB liability (asset)	\$ 3,253,547	\$ 2,934,684	\$ 1,727,276	\$ 1,437,136
Plan fiduciary net position as a percentage of the total OPEB liability	54.42%	60.69%	74.96%	80.07%
Covered Employee Payroll	\$ 15,101,389	\$ 15,516,677	\$ 15,943,386	\$ 16,381,829
Net OPEB liability as a percentage of covered employee payroll	21.54%	18.91%	10.83%	8.77%
Total OPEB liability as a percentage of covered employee payroll	47.27%	48.11%	43.27%	44.01%

*Other Notes*

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

There were no changes in discount rates, trend rates or assumptions.

**SUPPLEMENTARY  
INFORMATION**



**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR FUNDS  
 JUNE 30, 2021**

	Special Revenue Funds	Capital Project Funds		Totals
	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	
<b>Assets</b>				
Cash and investments	\$ 2,022,059	\$ 227,759	\$ -	\$ 2,249,818
Accounts receivable	5,038	12,170	-	17,208
<b>Total Assets</b>	<b>\$ 2,027,097</b>	<b>\$ 239,929</b>	<b>\$ -</b>	<b>\$ 2,267,026</b>
<b>Fund Balances</b>				
Fund balances:				
Restricted for:				
Site repairs	\$ -	\$ 94,801	\$ -	\$ 94,801
Committed for:				
Repairs and maintenance	2,027,097	-	-	2,027,097
Site repairs	-	145,128	-	145,128
<b>Total Fund Balances</b>	<b>2,027,097</b>	<b>239,929</b>	<b>-</b>	<b>2,267,026</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,027,097</b>	<b>\$ 239,929</b>	<b>\$ -</b>	<b>\$ 2,267,026</b>

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds	Capital Project Funds		Totals
	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	
Revenues:				
LCFF sources	\$ 158,000	\$ -	\$ -	\$ 158,000
Other state	-	-	-	-
Other local	23,489	154,571	6	178,066
Total revenues	<u>181,489</u>	<u>154,571</u>	<u>6</u>	<u>336,066</u>
Expenditures:				
Current:				
Plant services	-	70,604	-	70,604
Total expenditures	<u>-</u>	<u>70,604</u>	<u>-</u>	<u>70,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>181,489</u>	<u>83,967</u>	<u>6</u>	<u>265,462</u>
Other financing sources (uses):				
Operating transfers out	-	-	(1,660)	(1,660)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,660)</u>	<u>(1,660)</u>
Net change in fund balances	181,489	83,967	(1,654)	263,802
Fund balances beginning	<u>1,845,608</u>	<u>155,962</u>	<u>1,654</u>	<u>2,003,224</u>
Fund balances ending	<u>\$ 2,027,097</u>	<u>\$ 239,929</u>	<u>\$ -</u>	<u>\$ 2,267,026</u>

**COMPLIANCE  
SECTION**

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
ORGANIZATION (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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The Las Lomas Elementary School District Board was established in 1904 in San Mateo County, California. There were no changes in boundaries during the current year. The District is comprised of one elementary and one middle school.

**Governing Board**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Dana Nunn	President	2022
Jason Morimoto	Clerk	2024
John Earnhardt	Member	2022
Molly Finn	Member	2022
Cynthia Solis Yi	Member	2022

**Administration**

Dr. Beth Polito  
Superintendent

Steven Fuentes  
Chief Business Officer

Shannon Potts  
Assistant Superintendent

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS (UNAUDITED).  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

There were no charter schools to be reported.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME OFFERED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Grade Level	Minutes Requirements	2021 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	n/a	n/a	180	0	In compliance
Grade 1	n/a	n/a	180	0	In compliance
Grade 2	n/a	n/a	180	0	In compliance
Grade 3	n/a	n/a	180	0	In compliance
Grade 4	n/a	n/a	180	0	In compliance
Grade 5	n/a	n/a	180	0	In compliance
Grade 6	n/a	n/a	180	0	In compliance
Grade 7	n/a	n/a	180	0	In compliance
Grade 8	n/a	n/a	180	0	In compliance

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts and charter schools, including basic aid districts. However, for fiscal year 2021, districts are only required to offer a minimum number of days based on Education Code Section 46200, chapter 2, part 26. This schedule reports the District's compliance with this Ed. Code Section.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	(Budget) <sup>1</sup> 2022	2021	2020	2019
<u>General Fund</u>				
Revenues and other financial sources	\$ 31,807,047	\$ 31,649,757	\$ 29,769,644	\$ 29,488,915
Expenditures	30,678,447	30,027,943	29,234,879	29,276,100
Total outgo	30,678,447	30,027,943	29,234,879	29,276,100
Change in fund balance	\$ 1,128,600	\$ 1,621,814	\$ 534,765	\$ 212,815
Prior period adjustment - GASB 84	\$ -	\$ 7,281	\$ -	\$ -
Ending fund balance	\$ 19,378,762	\$ 18,250,162	\$ 16,621,067	\$ 16,086,302
Available reserves <sup>(2)</sup>	\$ 8,883,118	\$ 2,732,926	\$ 1,183,915	\$ 1,456,964
Reserve for economic uncertainties	\$ -	\$ 900,794	\$ 900,539	\$ 900,539
Unassigned fund balance	\$ 8,883,118	\$ 1,832,132	\$ 283,376	\$ 556,425
Available reserves as a percentage of total outgo	28.96%	9.10%	4.05%	4.98%
Total long-term liabilities	\$ 162,442,750	\$ 164,227,750	\$ 124,117,954	\$ 128,293,595
Average daily attendance (ADA) at P-2	1,175	1,175	1,176	1,205

Average daily attendance has decreased by 30 since 2019. The District anticipates no change to ADA during fiscal year 2021/22.

The state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo). The fiscal year 2021/22 budget projects a \$1,128,600 increase in fund balance.

The District operated at a surplus in each of the past three years. Total long-term liabilities have increased by \$35,934,155 over the last three years.

<sup>1</sup> Budget numbers are based on the first adopted budget of the fiscal year 2021/22, which is unaudited.

<sup>2</sup> Available reserves consist of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Program Name	Federal Catalog Number	Pass Through Number	Program Expenditure
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed Through California Department of Education			
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	\$ 209,142
IDEA Private Schools ISPs, Part B, Sec 611	84.027	10115	8,816
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	7,541
IDEA Preschool Staff Development, Part B, Sec 619	84.173	13431	82
Total Special Education Cluster			<u>225,581</u>
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	26,164
NCLB: Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	18,514
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	10,000
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	14,472
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	26,907
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	25,574
Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425	15517	<u>74,062</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><u>421,274</u></u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
Passed Through California Department of Education			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	(1) 25516	<u>375,676</u>
<b>TOTAL U.S. DEPARTMENT OF TRESURY</b>			<u><u>375,676</u></u>
<b>TOTAL FEDERAL PROGRAMS</b>			<u><u>\$ 796,950</u></u>

(1) Audited as major program  
*There were no grants passed through to subrecipients*



**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Governmental Funds
June 30, 2021 Annual Financial and Budget Report Fund Balances	\$ 9,588,758	\$ 49,163,311	\$ 7,662,577	\$ 10,928,430
Adjustments and Reclassifications:				
Special Res Fund for Other Than Cap Outlay:				
GASB 54 Adjustments	8,648,549	-	-	(8,648,549)
Student Activity Special Revenue Fund:				
GASB 54 Adjustments	12,855	-	-	(12,855)
June 30, 2021 Audited Financial Statements Fund Balances	\$ 18,250,162	\$ 49,163,311	\$ 7,662,577	\$ 2,267,026

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO STATE AND FEDERAL AWARD COMPLIANCE SECTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**1. PURPOSE OF SCHEDULES**

A. Schedule of Instructional Time

The District has not received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

B. Schedule of Charter Schools

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

C. 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.

D. Schedule of Expenditures of Federal Awards

*Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Uniform Guidance and state requirements.

E. Reconciliation of Annual Financial and Budget Report to the Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported in the annual financial and budget report to the audited financial statements.

**2. EARLY RETIREMENT INCENTIVE PROGRAM**

The District has not adopted an early retirement incentive program, pursuant to Education Code Sections 22714 and 44929, whereby the service credit to eligible employees is increased to two years.

**3. RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEMS**

There were no material unreconciled differences between the District's records and the schedule of federal grant activity as shown on the Schedule of Expenditures of Federal and State Awards.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
NOTES TO STATE AND FEDERAL AWARD COMPLIANCE SECTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**4. BASIS OF PRESENTATION – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Las Lomitas Elementary School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**OTHER INDEPENDENT  
AUDITOR'S REPORTS**



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

Board of Education  
Las Lomas Elementary School District  
Menlo Park, CA

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 Las Lomas Elementary 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, and have issued our report thereon dated January 10, 2022.

***Internal Control over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,



regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

C & A LLP

January 10, 2022  
Morgan Hill, California



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Education  
Las Lomas Elementary School District  
Menlo Park, CA

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Las Lomas Elementary School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Las Lomas Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

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



## Report on Internal Control over Compliance

Management of the Las Lomitas Elementary School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Las Lomitas Elementary School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Las Lomitas Elementary School District's internal control over compliance.

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

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

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

C & A LLP

January 10, 2022  
Morgan Hill, California





**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS**

Board of Trustees  
 Las Lomas Elementary School District  
 Menlo Park, California

**Compliance**

We have audited the Las Lomas Elementary School District's (the District) compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the District’s state programs identified below for the year ended June 30, 2021.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State’s audit guide, *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards, and state audit, guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above, that could have a material effect on compliance with the state laws and regulations described in the schedule below, occurred. An audit includes examining, on a test basis, evidence supporting the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District’s compliance with those requirements.

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

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	N/A
Continuation Education	N/A
Instructional Time	Yes



<u>Description</u>	<u>Procedures Performed</u>
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	N/A
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
General Requirements	N/A
After School	N/A
Before School	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	N/A
Independent Study-Course Based	N/A
Charter Schools:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study for Charter Schools	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

**Opinion**

In our opinion, Las Lomas Elementary School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2021.

*C & A LLP*

January 10, 2022  
 Morgan Hill, California

**FINDINGS AND  
RECOMMENDATIONS**

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Section 1 - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weaknesses? \_\_\_ Yes x No

Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_ Yes x None Reported

Non-compliance material to financial statements noted? \_\_\_ Yes x No

**Federal Awards**

The District did not spend or incur expenditures of \$750,000 or more in federal awards.

Internal control over major programs:

Material weaknesses? \_\_\_ Yes x No

Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_ Yes x None Reported

Type of auditor's report issued on compliance over major programs Unqualified

Any audit findings disclosed that are required to be reported in  
accordance with Circular A-133 Section .510(a) \_\_\_ Yes x No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief Fund (CRF): Learning Loss Mitigation

Dollar threshold used to distinguish between  
type A and type B programs: \$ 750,000

Auditee qualified as low risk auditee? \_\_\_ Yes x No

**State Awards**

Internal control over state programs:

Material weaknesses? \_\_\_ Yes x No

Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_ Yes x None Reported

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

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Section II - Financial Statement Findings**

No findings noted.

**Section III - Federal Award Findings and Questioned Costs**

No findings noted.

**Section IV - State Award Findings and Questioned Costs**

No findings noted.

**LAS LOMITAS ELEMENTARY SCHOOL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Section II - Financial Statement Findings**

No findings noted.

**Section III - Federal Award Findings and Questioned Costs**

No findings noted.

**Section IV - State Award Findings and Questioned Costs**

No findings noted.