

CARDIFF SCHOOL DISTRICT
1888 Montgomery Avenue, Cardiff-by-the-Sea, California

REGULAR MEETING OF THE GOVERNING BOARD
AGENDA

THURSDAY, JANUARY 11, 2024

5:00 PM BOARD MEETING

CARDIFF SCHOOL MULTIPURPOSE ROOM • 1888 MONTGOMERY AVE • CARDIFF-BY-THE-SEA, CA 92007

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board meeting are available for inspection upon request at the Cardiff School District, 1888 Montgomery Avenue, Cardiff or on our [website](#).

The public's health and well-being are a top priority for the Board of Trustees of the Cardiff School District and you are urged to take all appropriate health and safety precautions.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Board of Trustees, please contact the Office of the Superintendent at (760) 632-5890, Extension 101. Notification 24 hours prior to the meeting will enable the District to make the necessary arrangements to ensure accommodation and accessibility to this meeting.

TO ADDRESS THE GOVERNING BOARD REGARDING AN ITEM ON THE AGENDA:

Members of the audience may address the Board of Trustees on items that are within the Board's subject matter jurisdiction. Persons wishing to address the Board concerning items on the agenda are invited to do so when the item is addressed at the meeting. Please complete and submit a written request to the secretary before the meeting. When the Board President invites you to speak, please state your name for the record. In the interest of time and order, each speaker is allotted a maximum of three (3) minutes. When your speaking time expires you will be prompted with a 15-second warning.

I. ORGANIZATIONAL ITEMS

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

Ms. Rhea Stewart, President

Ms. Nancy Orr, Clerk

Mr. Andrew Howard, Member

Mr. Ashok Swaminathan, Member

Mr. Shad Thielman, Member

Ms. Jill Vinson, Superintendent

D. Approve Agenda for January 11, 2024

(All items are action unless labeled information.)

E. Approve Minutes from the Regular/Organizational Meeting of December 14, 2023

II. HEARING SESSION

- A. Public Comments *(The purpose of the Board meeting is to conduct the School Board's business in public. The Board welcomes and encourages public comments, however, in accordance with the Brown Act, Board members may not respond to comments during the public comment portion of the agenda. Any member of the public who wishes to address the Board on an item on the agenda or on another topic which lies within the Governing Board's jurisdiction may do so, but must submit a written request. Please hand your form to the secretary before the meeting. Presentations are limited to 3 minutes per person per topic. The total amount of time to be allowed on any item is fifteen minutes, unless the time limit is waived by a majority vote of the Board. The Board may 1) acknowledge receipt of the information; 2) refer to staff for further study; or 3) refer the matter to a future agenda.)*
- B. Cardiff Elementary Teachers Association
- C. ELAC/DELAC
- D. School Site Council
- E. Cardiff SEA
- F. School Reports
- G. Reports on Workshops/Conferences
- H. Superintendent's Report

III. CONSENT CALENDAR

Items listed in the Consent Calendar are considered to be routine and are acted on by the Board in one motion unless members of the Board request specific items to be discussed or pulled. It is understood that the Superintendent recommends approval on all Consent Items. Each item of the Consent agenda approved by the Board shall be deemed to have been considered in full and adopted as recommended.

- A. Approve Current Business Items:
 - 1. Purchase Orders; December 2023
 - 2. Commercial Warrants #14-090898 to #14-099101; \$236,812.97
 - 3. Payroll Warrants December 2023; \$858,645.18
- B. Approve Personnel Report as of January 8, 2024
- C. Approve Enrollment Report as of January 8, 2024
- D. Approve Cardiff School District's Uniform Complaint Quarterly Report for October 1, 2023 through December 31, 2023
- E. Approval and Ratification of Contracts and Agreements
- F. Removal of Items from Consent Calendar
- G. Approve Consent Calendar

IV. BUSINESS & FINANCE

- A. Review and Accept Annual Audit Ending June 30, 2023

V. PERSONNEL

- A. Approve Request from Employee #267-838 for an Unpaid Leave of Absence from January 26, 2024 to May 31, 2024

VI. FUTURE AGENDA ITEMS

VII. ANNOUNCEMENT: ADJOURNING TO CLOSED SESSION

- A. Conference with the District's Labor Negotiator, Jill Vinson, Regarding Negotiations with the Cardiff Elementary Teachers Association– Pursuant to Government Code Section 54957.6

VIII. RECONVENE TO OPEN SESSION

IX. REPORT FROM CLOSED SESSION

X. GENERAL FUNCTIONS

- A. Governance Workshop on Board Protocols and Responsibilities (***Information***)

XI. ADJOURNMENT OF MEETING

CARDIFF SCHOOL DISTRICT
1888 Montgomery Avenue
Cardiff-by-the-Sea, California 92007

MINUTES
REGULAR/ORGANIZATIONAL BOARD MEETING, DECEMBER 14, 2023

The Regular Board Meeting of the Governing Board of the Cardiff School District was held on Thursday, December 14, 2023, in the Cardiff School Multipurpose Room, located at 1888 Montgomery Ave, Cardiff-by-the-Sea, California. President Stewart called the meeting to order at 5:04 p.m. and led the trustees and visitors in the Pledge of Allegiance.

Members Present: Howard, Orr, Stewart, Swaminathan, Thielman

Members Absent: 0

Administrators Present: Vinson, Giroux, Scheftner

The Annual Organizational Meeting of the Board was conducted.

Rhea Stewart was nominated and approved as President of the Governing Board of Trustees for the 2024 calendar year.

MOTION: Orr

SECOND: Howard

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0

ABSENT: 0

President Stewart presided over the remainder of the meeting.

Nancy Orr was nominated and approved as Clerk of the Governing Board of Trustees for the 2024 calendar year.

MOTION: Thielman

SECOND: Howard

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0

ABSENT: 0

The following appointments were made:

1. Superintendent Jill Vinson was appointed as Secretary to the Board.
2. Nancy Orr was appointed as Representative to the City of Encinitas School District Liaison Committee. Andrew Howard will serve as the alternate.

The Regular meetings of the Governing Board for the 2024 calendar year were approved and scheduled for the following dates, times, and locations:

Thursday, January 11, 2024, at 5 pm, Cardiff School Multipurpose Room
Thursday, February 8, 2024, at 5 pm, Cardiff School Multipurpose Room
Thursday, March 14, 2024, at 5 pm, Cardiff School Multipurpose Room
Thursday, April 11, 2024, at 5 pm, Cardiff School Multipurpose Room
Thursday, May 9, 2024, at 5 pm, Cardiff School Multipurpose Room
Thursday, June 6, 2024, at 5 pm, Cardiff School Multipurpose Room
Tuesday, June 11, 2024, at 5 pm, Cardiff School Multipurpose Room (Special Meeting)
Thursday, July 11, 2024, at 9 am, Cardiff School Multipurpose Room
Thursday, August 1, 2024, at 9 am, Cardiff School Multipurpose Room
Thursday, September 12, 2024, at 5 pm, Cardiff School Multipurpose Room
Thursday, October 10, 2024, at 5 pm, Cardiff School Multipurpose Room
Tuesday, November 14, 2024, at 5 pm, Cardiff School Multipurpose Room
Monday, December 16, 2024, at 5 pm (Organizational Meeting), Cardiff School Multipurpose Room

MOTION: Howard

SECOND: Orr

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0

ABSENT: 0

The agenda for the December 14, 2023 Regular Board meeting was approved, as amended with the personnel agenda item discussion deferred to closed session.

MOTION: Howard

SECOND: Swaminathan

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0

ABSENT: 0

The minutes from the Regular Board Meeting of November 9, 2023 were approved as written.

MOTION: Howard

SECOND: Thielman

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0

ABSENT: 0

Hearing Session:

- Trustees heard two public comments regarding the calendar adoption and process.
- CETA President Veronica Nguyen spoke regarding the calendar process and shared an update on negotiations.
- Principal Scheftner reported that the next ELAC/DELAC meeting will be on Thursday, Feb 8,

2024.

- There was no report from the School Site Council, as their next meeting will be held in January.
- The Cardiff SEA met on December 13, 2023. Cardiff merchandise sales are underway online and in person ahead of the holidays. The Cardiff SEA is working on the March gala event and is looking for volunteers to help.
- Principal Scheftner shared that the Cardiff Way assembly and holiday sweater day is on Friday, December 15th, and pajama day is on December 22nd. Third grade will be performing their America's Tallest Tales play on December 21st. Fourth grade is starting Book Clubs. Fifth grade went to BizTown and is beginning to work on the Invention Convention. Sixth grade has their Toy Fair on December 19th. Fifth and sixth graders are working on science labs involving physical and chemical changes. Students are preparing for the PE state assessment called the California Fitnessgram. The Wildcat band performed in the holiday parade and is preparing for their upcoming winter concert on January 24th. A stepping stone pathway is being added to the garden with the help of Mrs. Switzler's class and their 6th-grade buddies.
- Principal Giroux shared that holiday spirit was being enjoyed on campus, including teacher read-alouds, gingerbread house making, and family holiday gift making. Twenty 2nd-grade students marched with the Ada Harris Wildcat Band in the Encinitas Holiday Parade. Friday, December 15th is holiday sweater day and the Cardiff Way Assembly. Friday, December 22nd, is pajama day. Kindergarten started a full-day schedule after the Thanksgiving break and they are preparing for their holiday performance on December 15th. Several first-grade classes made personalized heritage dolls to share with their class. Second-grade classes are working on engaging writing activities.
- Trustees Stewart, Orr, Howard, Thielman, and Superintendent Vinson attended the CSBA conference in late November/early December. Trustees shared their takeaways from the conference. Trustees Stewart, and Orr, along with Superintendent Vinson, attended the Advanced Governance Team Leadership Workshop and enjoyed connecting with board members from around the state. The group also attended the Schools For Sound Finance luncheon at CSBA. President Stewart and Trustee Swaminathan participated in negotiations on December 7, 2023. Superintendent Vinson and Trustee Thielman attended the Legislative Action Network meeting on December 8, 2023.

The Consent Calendar was approved as presented.

MOTION: Howard

SECOND: Swaminathan

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0

ABSENT: 0

CSBA Board Policy updates were approved as presented.

MOTION: Swaminathan

SECOND: Howard

AYES: Howard, Orr, Stewart, Swaminathan, Thielman

NOES: 0
ABSENT: 0

The Board of Trustees nominated Rhea Stewart for the CSBA Delegate Assembly.

MOTION: Orr
SECOND: Thielman
AYES: Howard, Orr, Swaminathan, Thielman
NOES: 0
ABSENT: 0

The Budget Changes through October 31, 2023 were approved.

MOTION: Swaminathan
SECOND: Thielman
AYES: Howard, Orr, Stewart, Swaminathan, Thielman
NOES: 0
ABSENT: 0

The District Certification of the First Interim Budget State Report for the period ending October 31, 2023 was authorized.

MOTION: Howard
SECOND: Thielman
AYES: Howard, Orr, Stewart, Swaminathan, Thielman
NOES: 0
ABSENT: 0

The 2024-2025 Budget Assumptions were approved.

MOTION: Howard
SECOND: Swaminathan
AYES: Howard, Orr, Stewart, Swaminathan, Thielman
NOES: 0
ABSENT: 0

The Proposed Increase to the Substitute Teacher Rates, Effective January 1, 2024, was approved.

MOTION: Orr
SECOND: Howard
AYES: Howard, Orr, Stewart, Swaminathan, Thielman
NOES: 0
ABSENT: 0

There being no other regular business to come before the Board, the meeting was adjourned to closed session at 5:52 p.m. The meeting reconvened to open session at 8:05 p.m. President Stewart reported that no action was taken during the closed session.

The Renewal of the Superintendent's Employment Contract through 2026-2027 at an annual salary of \$227,850 was approved.

MOTION:	Thielman
SECOND:	Swaminathan
AYES:	Howard, Orr, Stewart, Swaminathan, Thielman
NOES:	0
ABSENT:	0

There being no other business to come before the Board, the meeting was adjourned at 8:06 p.m.

Respectfully submitted,

Nancy Orr, Clerk

Jill Vinson, Superintendent

DECEMBER 2023 PO LISTING

PO	Date	Supplier	Fund	Resource	Goal	Function	Object	Site	Description	Inv Amount
INSTRUCTIONAL SUPPLIES										
5007	12/4/23	AMAZON CAPITAL SERVICES	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 123.43
5010	12/4/23	AMAZON CAPITAL SERVICES	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 68.26
5009	12/4/23	AMAZON CAPITAL SERVICES	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 85.95
5016	12/4/23	AMAZON CAPITAL SERVICES	0100	0000000	0000	2420	4300005	111	Technology Supplies	\$ 54.50
5025	12/4/23	AMAZON CAPITAL SERVICES	0100	0000000	0000	2420	4300005	111	Technology Supplies	\$ 168.99
5011	12/4/23	FREE FORM CLAY & SUPPLY	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 125.00
5031	12/4/23	Whole Phonics, Inc	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 275.85
5037	12/7/23	COMPLETE OFFICE OF CALIFORNIA	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 730.11
	12/7/23	JENNY WONG	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 85.64
	12/7/23	LEAH DEZA	0100	6500000	5760	1120	4300000	111	SPED Instructional Supplies	\$ 15.99
5043	12/7/23	S.W. SCHOOL SUPPLY	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 243.32
	12/7/23	SUSAN YANT	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 159.89
	12/7/23	WILLIAM COWIE	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 238.88
5056	12/18/23	CANNON SPORTS, INC.	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 54.41
5005	12/18/23	FOLLETT SCHOOL SOLUTIONS, INC.	0100	1100000	1110	1000	4300000	111	Instructional Supplies	\$ 449.78
5057	12/18/23	GOPHER SPORT	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 215.49
5055	12/18/23	S.W. SCHOOL SUPPLY	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 209.63
5061	12/18/23	S.W. SCHOOL SUPPLY	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 151.12
	12/21/23	MISSION FEDERAL CREDIT UNION	0100	0000000	0000	7200	4300000	000	Office Supplies	\$ 261.96
	12/21/23	MISSION FEDERAL CREDIT UNION	0100	0000000	0000	7100	4300000	000	Office Supplies	\$ 157.21
	12/21/23	MISSION FEDERAL CREDIT UNION	0100	6500000	5760	3120	4300000	000	SPED Instructional Supplies	\$ 50.05
5055	12/21/23	S.W. SCHOOL SUPPLY	0100	1100000	1110	1000	4300000	222	Instructional Supplies	\$ 26.68
5062	12/21/23	COMPANION CORP.	0100	0000000	0000	2420	4300005	222	Annual Subscription	\$ 3,026.00
5052	12/21/23	HOWARD TECHNOLOGY SOLUTIONS	0100	0000000	0000	2420	4300005	111	Technology Supplies	\$ 991.30
										\$ 7,969.44

5040	12/4/23	AMAZON CAPITAL SERVICES	0100	0000000	0000	7100	4300000	000	Office Supplies	\$ 19.38
5014	12/4/23	AMAZON CAPITAL SERVICES	0100	0000000	0000	2700	4300000	111	Office Supplies	\$ 212.04
5038	12/4/23	MAINTEX, INC.	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 1,156.38
5030	12/4/23	SITEONE LANDSCAPE SUPPLY LLC	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 770.01
4829	12/7/23	HOME DEPOT CREDIT SERVICES	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 853.89
5038	12/7/23	MAINTEX, INC.	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 96.03
5039	12/7/23	S.W. SCHOOL SUPPLY	0100	0000000	0000	7100	4300000	000	Office Supplies	\$ 55.75
	12/7/23	SUNBELT RENTALS	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 268.85
	12/11/23	CONSOLIDATED ELECTRICAL	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 232.20
4818	12/14/23	READY REFRESH BY NESTLE	0100	0000000	0000	2700	4300000	222	Services for November	\$ 139.29
4818	12/14/23	READY REFRESH BY NESTLE	0100	0000000	0000	7200	4300000	000	Services for November	\$ 60.00
4818	12/14/23	READY REFRESH BY NESTLE	0100	0000000	0000	2700	4300000	111	Services for November	\$ 100.72
5060	12/18/23	S.W. SCHOOL SUPPLY	0100	0000000	0000	7200	4300000	000	Office Supplies	\$ 129.84
	12/21/23	MISSION FEDERAL CREDIT UNION	0100	0000000	0000	8200	4300000	000	Maintenance Supplies	\$ 178.70
										\$ 4,273.08

4000 (SUPPLIES) TOTALS: BALANCE: 372,739 ACCUMULATED BALANCE: 290,055 REMAINING BALANCE: 82,684

UTILITIES										
4886	12/4/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	222	Services for November	\$ 825.39
4886	12/4/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	222	Services for November	\$ 578.89
4886	12/4/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	222	Services for November	\$ 6,367.09
4886	12/4/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	222	Services for November	\$ 58.04
	12/4/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for December	\$ 193.52
	12/4/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for December	\$ 272.03
4886	12/7/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	111	Services for November	\$ 753.89
4886	12/7/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	222	Services for November	\$ 2,128.56
4886	12/7/23	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	111	Services for November	\$ 970.37
	12/11/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for November	\$ 338.89
	12/11/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for November	\$ 61.75
	12/11/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for November	\$ 773.63
	12/14/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for December	\$ 137.03
	12/14/23	AT&T	0100	0000000	0000	7200	5900001	000	Services for December	\$ 66.14
4834	12/18/23	SAN DIEGO GAS & ELECTRIC	0100	0000000	0000	8200	5500001	111	Services for November	\$ 7,405.12
										\$ 20,930.34

SERVICES										
4970	12/4/23	COASTAL SPEECH THERAPY	0100	6500000	5760	1190	5800000	000	Services for October	\$ 8,343.48

\$ 132,642.59

5000 (SERVICES) TOTALS: BALANCE: 1,219,451 ACCUMULATED BALANCE: 679,808 REMAINING BALANCE: 539,643

FUND 4000 - CAPITAL FACILITIES

\$ 50,661.56

Personnel Report - January 11, 2024			
Eden Platt	Instructional Assistant II SPED	New Hire	1/8/24

CARDIFF

K	Glass	<u>22</u>
K	McNamara	<u>23</u>
K	Sallans	<u>23</u>
K	Stone	<u>21</u>

TOT K 89

1	Douil/Dueh	<u>23</u>
1	Easson	<u>22</u>
1	Miller	<u>23</u>
1	Stuart	<u>21</u>

TOT 1 89

2	Boyesen	<u>23</u>
2	Kavan	<u>22</u>
2	Payte	<u>21</u>
2	Redding	<u>21</u>

TOT 2 87

Wilson 0

TOT 0

Subtotal 265

DISTRICT TOTAL 644

ADA HARRIS

3	Cope	<u>22</u>
3	Herrman	<u>19</u>
3	Milliken	<u>22</u>
3	Murray	<u>20</u>
3	Switzler	<u>22</u>

TOT 3 105

4	Brice	<u>21</u>
4	Green	<u>21</u>
4	Mihaly	<u>20</u>
4	Trees/Atalla	<u>19</u>

TOT 4 81

5	d'Entremont	<u>23</u>
5	Ensberg	<u>20</u>
5	Price	<u>22</u>
5	Yant	<u>21</u>

TOT 6 86

6	Jewell	<u>25</u>
6	Nguyen	<u>22</u>
6	Therriault	<u>22</u>
6	Tiersma	<u>23</u>

TOT 6 92

Velit 15

TOT 15

Subtotal 379

Cardiff School District
Cardiff by the Sea, California 92007
January 11, 2024

ITEM: APPROVE CARDIFF SCHOOL DISTRICT'S UNIFORM COMPLAINT
QUARTERLY REPORT FOR OCT 1, 2023 THROUGH DEC 31, 2023

BACKGROUND:

Governing boards of school districts in California are required to review and approve the District's Quarterly Report of Complaints regarding instructional materials, facilities and teacher staffing. This is the second Quarterly Report prepared for the period of October 1, 2023 to December 31, 2023. No complaints have been received for this period.

CURRENT CONSIDERATIONS:

The San Diego County Office of Education has created a link on their website for school districts to electronically report the required information and the Cardiff School District has completed the reporting process for the quarter specified above.

FINANCIAL IMPLICATIONS:

There are no current financial implications at this time.

RECOMMENDATION:

It is respectfully recommended that the Board approve the Uniform Complaint Quarterly Report for October 1, 2023 through December 31, 2023.

SDCOE Uniform Complaint Quarterly Reports Database

Williams and Valenzuela Settlements

Quarterly Complaint Summary [ADD a new summary record](#)

Submitted By: Jennifer Hatter
Title: Support Staff
Report Date: 1/8/2024
Quarter: 10/1/2023 - 12/31/2023

Number of Complaints for Quarter:

	Received	Resolved	Unresolved
Instructional Material	0	0	0
Facilities	0	0	0
Misassignment	0	0	0

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Cardiff School District
Cardiff-By-The-Sea, California 92007
January 11, 2024

ITEM: REVIEW AND ACCEPT ANNUAL AUDIT ENDING JUNE 30, 2023

BACKGROUND

Education Code Sections 41020 and 41020.3 specify that districts shall provide for an annual audit of all school funds and shall review the audit at one of its regularly scheduled public meetings. On or before January 31st, school district governing boards are required to review their annual audit report at a public meeting and discuss any audit findings as well as the district's specific corrective action plan.

CURRENT CONSIDERATIONS

The audit report for the school year ending June 30, 2023 has been completed. Copies have been provided to the governing board as an attachment. A hard copy is available for public inspection at the school district office located at 1888 Montgomery Avenue. A representative from Wilkinson, Hadley, King & Co., LLP will be presenting the audit.

FINANCIAL IMPLICATIONS

There are no financial implications.

RECOMMENDATION

It is respectfully recommended that the Board review and accept the audit report for the fiscal year ending June 30, 2023.



Cardiff School District

County of San Diego
Cardiff-By-The-Sea, California

Audit Report

June 30, 2023



WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS



Cardiff School District

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June 30, 2023

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Independent Auditor's Report

To the Board of Education
Cardiff School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

The accompanying combining financial statements and additional supplementary information, identified in the table of contents, as required by the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying combining and individual nonmajor fund financial statements, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink, reading "William H. King & Co. LLP".

El Cajon, California
December 15, 2023

CARDIFF SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Unaudited)

The discussion and analysis of Cardiff School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

FINANCIAL HIGHLIGHTS

- The increase in Local Control Funding Formula (LCFF) sources from 2021-22 to 2022-23 was \$883,571 (8.59%) which consisted mostly of increases to property taxes received.
- The general fund expenditures increased by \$253,186 (2%) over the previous year amount.
- General Fund revenues and other sources exceeded expenses and other uses by \$1,478,781.
- The General Fund ended the fiscal year with 12.94% reserves in unassigned fund balance.
- The District implemented GASB 96 during the 2022-23 fiscal year establishing SBITAs payable with their corresponding SBITA assets on the statement of net position.

Overview of the Financial Statements

This annual report consists of the following parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplementary information, and findings and recommendations. These statements are organized so the reader can understand the Cardiff School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Basic Financial Statements

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, 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 School District's more significant funds with all other non-major funds presented in total in one column.

The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the District's general fund budget is included.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2022-2023?"

The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided, condition of school buildings and other facilities, and changes to the property tax base of the District, to assess the overall health of the District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

Governmental Funds

Most of the School District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, the Building Fund, and the Capital Projects Fund for Blended Component Units. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Enterprise Funds

The District also operates one Enterprise Fund, the Childcare Services Fund. This fund reflects the activity of the childcare program for which the District charges fees for services provided. The fund is reported using full accrual accounting which includes all assets and liabilities, including those that are long-term in nature.

Custodial Funds

The District is the trustee, for the Foundation Private Purpose Trust Fund. All of the District's Custodial activities are reported in separate Statements of Custodial Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

The School District as a Whole

The District's net position was \$(11) million at June 30, 2023. Of this amount, unrestricted net position was (\$7) million, net investment in capital assets was \$(8.2) million, and restricted net position was \$4.2 million. A Comparative analysis of government-wide statement of net position is presented in Table 1.

The District's net position increased \$3.6 million this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 72% of total expenses. The administrative activities of the District accounted for just 8% of total costs. The remaining 20% was spent in the areas of plant services, childcare services, and other expenses, including debt service interest. (See Figure 2)

(Table 1)
Comparative Statement of Net Position

GOVERNMENTAL ACTIVITIES				
	6/30/2023	6/30/2022	Change	% Change
Assets				
Current Assets	\$ 7,284,716	\$ 6,364,429	\$ 920,287	14.46%
Capital Assets	25,076,824	20,937,765	4,139,059	19.77%
Total Assets	32,361,540	27,302,194	5,059,346	18.53%
Deferred Outflows	2,703,364	2,106,723	596,641	28.32%
Liabilities				
Current Liabilities	988,343	1,338,009	(349,666)	-26.13%
Long-Term Liabilities	42,774,781	37,343,434	5,431,347	14.54%
Total Liabilities	43,763,124	38,681,443	5,081,681	13.14%
Deferred Inflows	2,040,494	5,103,292	(3,062,798)	-60.02%
Net Position				
Invested in Capital Assets, Net	(8,156,745)	(9,670,814)	1,514,069	-15.66%
Restricted	4,169,529	3,112,792	1,056,737	33.95%
Unrestricted	(6,751,498)	(7,817,796)	1,066,298	-13.64%
Total Net Position	\$ (10,738,714)	\$ (14,375,818)	\$ 3,637,104	-25.30%
BUSINESS TYPE ACTIVITIES				
	6/30/2023	6/30/2022	Change	% Change
Assets				
Current Assets	\$ 208,905	\$ 222,525	\$ (13,620)	-6.12%
Total Assets	208,905	222,525	(13,620)	-6.12%
Deferred Outflows	266,840	183,288	83,552	45.59%
Liabilities				
Current Liabilities	7,695	17,446	(9,751)	-55.89%
Long-Term Liabilities	665,756	434,991	230,765	53.05%
Total Liabilities	673,451	452,437	221,014	48.85%
Deferred Inflows	49,407	169,106	(119,699)	-70.78%
Net Position				
Unrestricted	(247,113)	(215,730)	(31,383)	14.55%
Total Net Position	\$ (247,113)	\$ (215,730)	\$ (31,383)	14.55%

(Table 2)
Comparative Statement of Change in Net Position

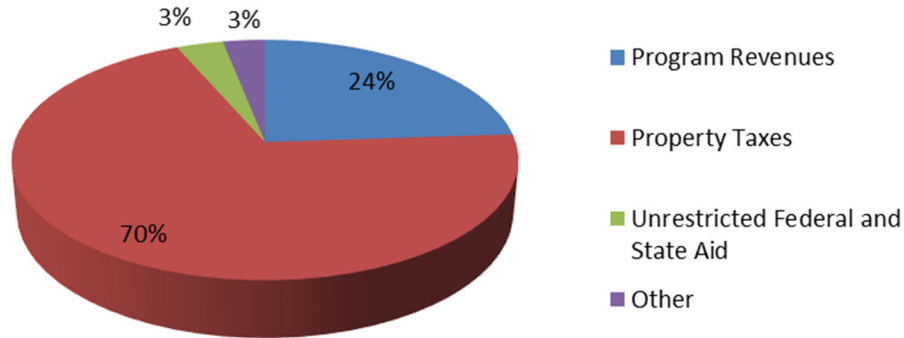
	Governmental Activities		Business Type Activities	
	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2022
Revenues				
Program revenues				
Charges for services	\$ 26,006	\$ 67,874	\$ 486,316	\$ 365,258
Operating grants and contributions	3,999,676	2,097,875	-	-
Capital grants and contributions	-	-	-	-
General revenues				
Taxes levied for general purposes	10,655,627	9,806,561	-	-
Taxes levied for debt service	2,446,652	2,325,679	-	-
Taxes levied for other specific purposes	-	-	-	-
Federal and state aid not restricted	650,663	605,534	-	-
Interest and investment earnings	89,862	(123,200)	2,855	(5,225)
Miscellaneous	490,977	255,153	-	-
Total Revenues	<u>18,359,463</u>	<u>15,035,476</u>	<u>489,171</u>	<u>360,033</u>
Expenses				
Instruction	8,763,582	7,202,293	-	-
Instruction Related Services	1,281,587	1,066,788	-	-
Pupil Support Services	856,885	607,925	-	-
General Administration	1,223,002	1,003,937	-	-
Plant Services	1,049,772	880,647	-	-
Childcare Services	-	-	520,554	434,470
Other	1,547,531	1,443,468	-	-
Total Expenses	<u>14,722,359</u>	<u>12,205,058</u>	<u>520,554</u>	<u>434,470</u>
Increase (Decrease) in Net Position	3,637,104	2,830,418	(31,383)	(74,437)
Net Position - Beginning Balance	<u>(14,375,818)</u>	<u>(17,206,236)</u>	<u>(215,730)</u>	<u>(141,293)</u>
Net Position - Ending Balance	<u>\$ (10,738,714)</u>	<u>\$ (14,375,818)</u>	<u>\$ (247,113)</u>	<u>\$ (215,730)</u>

GOVERNMENTAL ACTIVITIES

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$15.2 million. The amount that our local taxpayers financed for these activities through property taxes was \$13.1 million. Federal and State aid not restricted to specific purposes totaled \$0.65 million. Operating grants and contributions revenue was \$4 million. Operating grants and unrestricted federal and state aid covered 32% of the expenses of the entire District (See Figure 1).

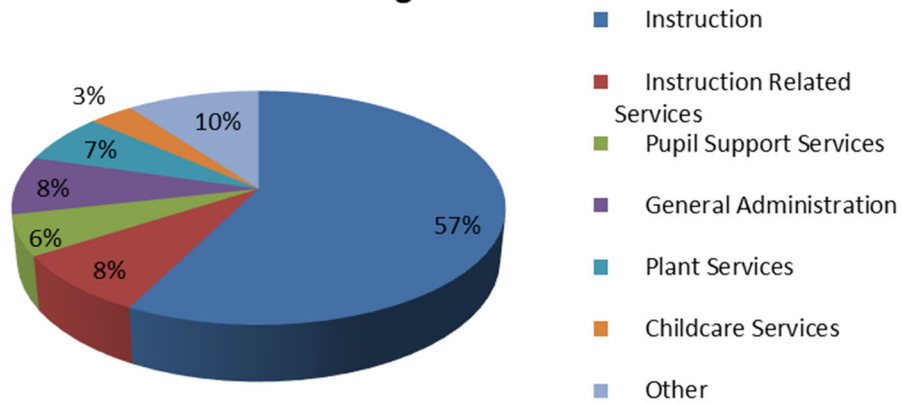
Sources of Revenue for the 2022-23 Fiscal Year

Figure 1



Expenses for the 2022-23 Fiscal Year

Figure 2



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's governmental funds reported a combined fund balance of \$6.5 million, an increase of \$1.3 million from the previous fiscal year's combined ending balance of \$5.2 million. The Childcare services enterprise fund reported an ending net position of \$(0.25) million which represented a decrease in net position of \$0.04 million over the previous year ending net position of \$(0.21) million.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net increase to the ending balance of \$0.03 million.

The District ended the year with a \$1.5 million increase to the general fund ending balance. The State recommends available reserves of 3% of total general fund expenditures and other financing uses of the general fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets and Lease Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, vehicles, and equipment. Table 3 demonstrates a comparative Schedule of Capital and Lease Assets.

(Table 3)
Comparative Schedule of Capital and Lease Assets
June 30, 2023 and 2022

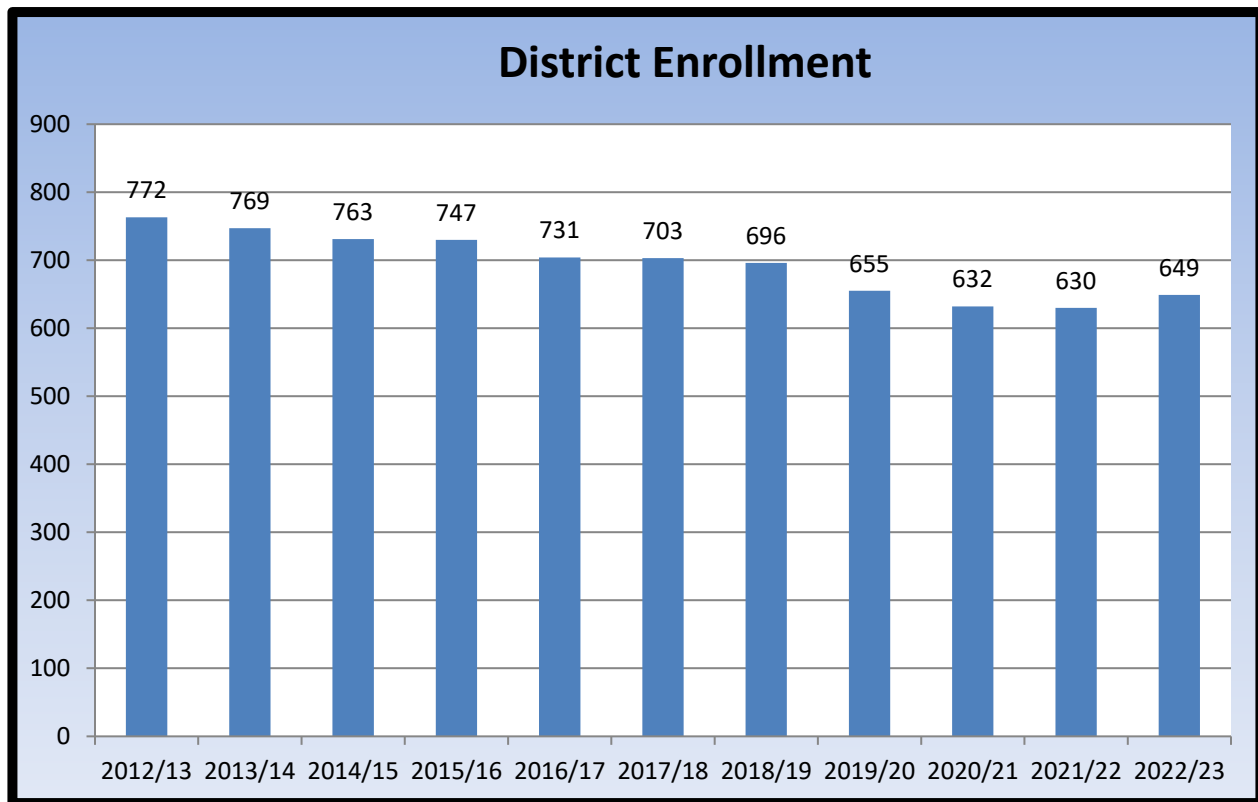
	2023	2022	Net \$ Change	Net % Change
Land	\$ 787,808	\$ 787,808	\$ 0	0.0%
Work in Progress	0	2,659,910	(2,659,910)	-100.0%
Land Improvements	107,790	107,790	0	0.0%
Buildings & Improvements	31,455,073	31,455,073	0	0.0%
Equipment	720,716	720,716	0	0.0%
Less Accumulated Depreciation for				
Land Improvements	(98,135)	(93,862)	(4,273)	4.6%
Buildings & Improvements	(7,442,106)	(6,881,618)	(560,488)	8.1%
Equipment	(454,322)	(418,892)	(35,430)	8.5%
Total	<u>\$ 25,076,824</u>	<u>\$ 28,336,925</u>	<u>\$ (3,260,101)</u>	<u>-11.5%</u>

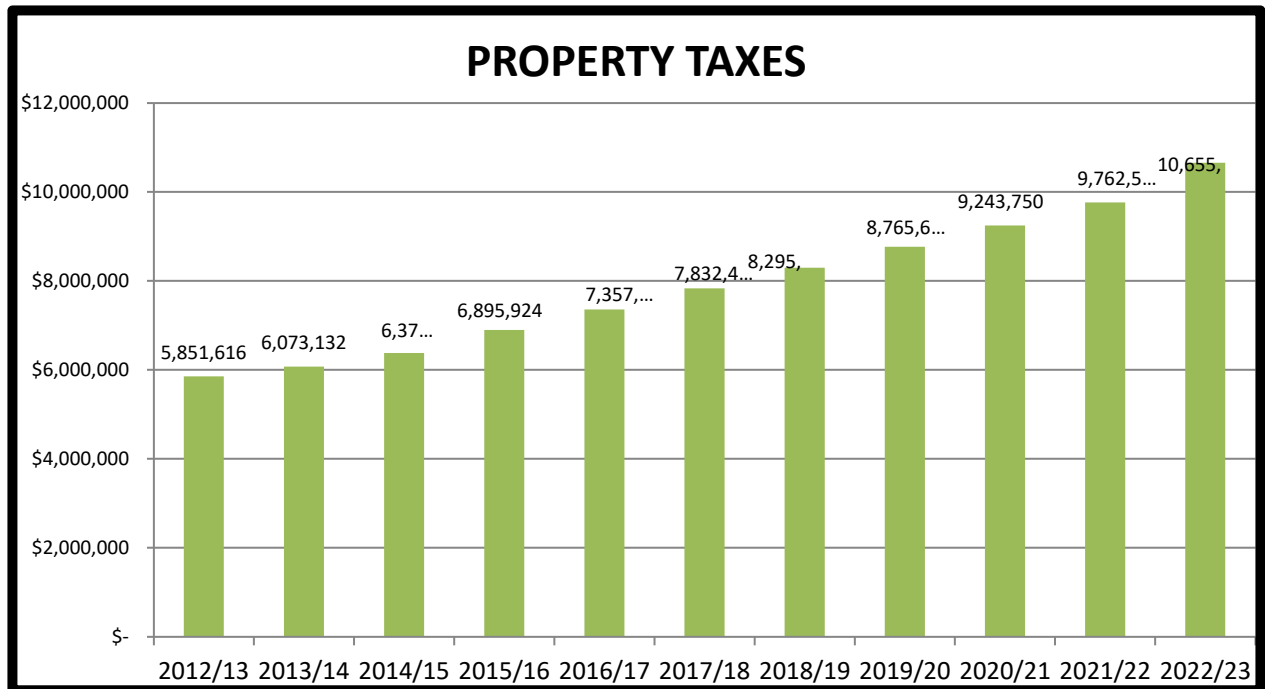
Long-Term Debt

At June 30, 2023 the District had \$33.2 million in long-term debt outstanding. Table 4 shows a comparative schedule of long-term debt items.

(Table 4)
Comparative Schedule of Long-Term Debt
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
General Obligation Bonds	\$ 26,892,569	\$ 28,031,579	\$ (1,139,010)	-4.1%
Certificates of Participation	<u>6,341,000</u>	<u>2,577,000</u>	<u>3,764,000</u>	<u>146.1%</u>
Total Long-Term Debt	<u>\$ 33,233,569</u>	<u>\$ 30,608,579</u>	<u>\$ 2,624,990</u>	<u>8.6%</u>





FACTORS BEARING ON THE DISTRICT'S FUTURE

The governor's 2023-24 Budget Act addresses a significant decline in revenues following two years of unprecedented General Fund growth, which resulted in a state shortfall of more than \$30 billion. Despite the shortfall the governor provided a cost-of-living adjustment of 8.22% to the Local Control Funding Formula, funding for universal school meals, community schools, and the expanded learning opportunities program for an overall increase in funding to schools for the 2023-24 fiscal year.

Predicting the future requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. The District currently maximizes restricted funds prior to utilizing unrestricted revenues in the budget development process. The Cardiff School District is committed to proactive fiscal planning and maintaining a reserve balance to assure fiscal solvency.

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 about this report or need additional financial information, please contact the Business Office, at Cardiff School District, 1888 Montgomery Avenue, Cardiff, CA 92007.

Basic Financial Statements

Cardiff School District

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 6,460,641	\$ 208,905	\$ 6,669,546
Receivables	674,990	-	674,990
Inventory	449	-	449
Lease Receivable	148,636	-	148,636
Capital Assets:			
Land	787,808	-	787,808
Improvements	107,790	-	107,790
Buildings	31,455,073	-	31,455,073
Equipment	720,716	-	720,716
Less Accumulated Depreciation	(7,994,563)	-	(7,994,563)
Total Assets	<u>32,361,540</u>	<u>208,905</u>	<u>32,570,445</u>
Deferred Outflows of Resources	<u>2,703,364</u>	<u>266,840</u>	<u>2,970,204</u>
Liabilities			
Accounts Payable and Other Current Liabilities	620,882	7,695	628,577
Unearned Revenue	367,461	-	367,461
Long-Term Liabilities:			
Due Within One Year	1,763,973	-	1,763,973
Due in More Than One Year	41,010,808	665,756	41,676,564
Total Liabilities	<u>43,763,124</u>	<u>673,451</u>	<u>44,436,575</u>
Deferred Inflows of Resources	<u>2,040,494</u>	<u>49,407</u>	<u>2,089,901</u>
Net Position			
Net Investment in Capital Assets	(8,156,745)	-	(8,156,745)
Restricted for:			
Capital Projects	319,612	-	319,612
Debt Service	2,179,363	-	2,179,363
Educational Programs	1,324,606	-	1,324,606
Other Purposes (Expendable)	343,999	-	343,999
Other Purposes (Nonexpendable)	1,949	-	1,949
Unrestricted	(6,751,498)	(247,113)	(6,998,611)
Total Net Position	<u>\$ (10,738,714)</u>	<u>\$ (247,113)</u>	<u>\$ (10,985,827)</u>

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

Cardiff School District
Statement of Activities
For the Year Ended June 30, 2023

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business Type Activities	Total
Governmental Activities:						
Instruction	\$ 8,763,582	\$ -	\$ 2,963,635	\$ (5,799,947)	\$ -	\$ (5,799,947)
Instruction-Related Services						
Instructional Supervision and Administration	11,345	-	-	(11,345)	-	(11,345)
Instructional Library, Media and Technology	516,279	-	115,432	(400,847)	-	(400,847)
School Site Administration	753,963	-	95,754	(658,209)	-	(658,209)
Pupil Services						
Home-to-School Transportation	104,213	-	-	(104,213)	-	(104,213)
Food Services	289,745	8	495,695	205,958	-	205,958
All Other Pupil Services	462,927	-	212,958	(249,969)	-	(249,969)
General Administration						
Centralized Data Processing	11,375	-	-	(11,375)	-	(11,375)
All Other General Administration	1,211,627	25,998	70,361	(1,115,268)	-	(1,115,268)
Plant Services	1,049,772	-	16,231	(1,033,541)	-	(1,033,541)
Ancillary Services	-	-	-	-	-	-
Interest on Long-Term Debt	1,370,033	-	-	(1,370,033)	-	(1,370,033)
Debt Issuance Costs	82,000	-	-	(82,000)	-	(82,000)
Transfers Between Agencies	95,498	-	29,610	(65,888)	-	(65,888)
Business Type Activities:						
Child Care Services	520,554	486,316	-	-	(34,238)	(34,238)
Total	\$ 15,242,913	\$ 512,322	\$ 3,999,676	\$ (10,696,677)	\$ (34,238)	\$ (10,730,915)
General Revenues:						
Taxes and Subventions:						
Taxes Levied for General Purposes				\$ 10,655,627	\$ -	\$ 10,655,627
Taxes Levied for Debt Service				2,446,652	-	2,446,652
Federal and State Aid, Not Restricted				650,663	-	650,663
Interest and Investment Earnings				89,862	2,855	92,717
Miscellaneous				490,977	-	490,977
Total General Revenues				14,333,781	2,855	14,336,636
Change in Net Position				3,637,104	(31,383)	3,605,721
Net Position - Beginning				(14,375,818)	(215,730)	(14,591,548)
Net Position, Ending				\$ (10,738,714)	\$ (247,113)	\$ (10,985,827)

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

Cardiff School District

Balance Sheet – Governmental Funds

June 30, 2023

	General Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 3,590,191	\$ 333,934	\$ 2,179,363	\$ 357,153	\$ 6,460,641
Accounts Receivable	602,341	-	-	72,649	674,990
Due from Other Funds	-	344,001	-	-	344,001
Stores Inventories	-	-	-	449	449
Lease Receivable	148,636	-	-	-	148,636
Total Assets	<u>\$ 4,341,168</u>	<u>\$ 677,935</u>	<u>\$ 2,179,363</u>	<u>\$ 430,251</u>	<u>\$ 7,628,717</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts Payable	\$ 261,210	\$ 13	\$ -	\$ 2,173	\$ 263,396
Due to Other Funds	344,001	-	-	-	344,001
Unearned Revenue	367,461	-	-	-	367,461
Total Liabilities	<u>972,672</u>	<u>13</u>	<u>-</u>	<u>2,173</u>	<u>974,858</u>
Deferred Inflows of Resources:					
Deferred Rent Income	<u>134,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,137</u>
Fund Balance:					
Nonspendable Fund Balances	1,500	-	-	449	1,949
Restricted Fund Balances	1,560,588	-	2,179,363	427,629	4,167,580
Assigned Fund Balances	1,181	677,922	-	-	679,103
Unassigned Fund Balances	<u>1,671,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,671,090</u>
Total Fund Balance	<u>3,234,359</u>	<u>677,922</u>	<u>2,179,363</u>	<u>428,078</u>	<u>6,519,722</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,341,168</u>	<u>\$ 677,935</u>	<u>\$ 2,179,363</u>	<u>\$ 430,251</u>	<u>\$ 7,628,717</u>

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

Cardiff School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2023

Total fund balances governmental funds: \$ 6,519,722

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

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

Capital assets relating to governmental activities, at historical cost	33,071,387	
Accumulated depreciation	<u>(7,994,563)</u>	
Net		25,076,824

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturred interest owing at the end of the period was: (357,486)

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

General obligation bonds payable	26,892,569	
Certificates of participation payable	6,341,000	
Net pension liability	8,381,146	
Total OPEB liability	1,124,451	
Compensated absences	<u>35,615</u>	
Total		(42,774,781)

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

Deferred outflows of resources relating to pensions	2,576,641	
Deferred inflows of resources relating to pensions	<u>(1,667,595)</u>	
Net		909,046

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

Cardiff School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued June 30, 2023

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

Deferred outflows of resources relating to OPEB	126,723	
Deferred inflows of resources relating to OPEB	<u>(238,762)</u>	
	Net	<u>(112,039)</u>
Total net position governmental activities:		<u><u>\$ (10,738,714)</u></u>

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

Cardiff School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2023

	General Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
State Apportionment	\$ 386,643	\$ -	\$ -	\$ -	\$ 386,643
Education Protection Account Funds	121,646	-	-	-	121,646
Local Property Taxes	10,655,627	-	2,446,652	-	13,102,279
Federal Revenue	612,823	-	-	89,817	702,640
Other State Revenue	1,613,074	-	-	254,467	1,867,541
Interest and Investment Income	29,778	38,373	13,553	8,158	89,862
Other Local Revenue	974,801	-	(3,798)	26,005	997,008
Total Revenues	<u>14,394,392</u>	<u>38,373</u>	<u>2,456,407</u>	<u>378,447</u>	<u>17,267,619</u>
Expenditures					
Current Expenditures:					
Instruction	7,971,065	-	-	-	7,971,065
Instruction - Related Services	1,239,096	-	-	-	1,239,096
Pupil Services	556,992	-	-	282,543	839,535
General Administration	1,130,409	-	-	52,821	1,183,230
Plant Services	1,035,879	-	-	-	1,035,879
Other Outgo	95,498	82,000	-	-	177,498
Capital Outlay	162,233	4,577,018	-	-	4,739,251
Debt Service:					
Principal	168,000	-	356,746	-	524,746
Interest	212,438	-	1,940,034	-	2,152,472
Total Expenditures	<u>12,571,610</u>	<u>4,659,018</u>	<u>2,296,780</u>	<u>335,364</u>	<u>19,862,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,822,782</u>	<u>(4,620,645)</u>	<u>159,627</u>	<u>43,083</u>	<u>(2,595,153)</u>
Other Financing Sources (Uses):					
Transfers In	-	344,001	-	-	344,001
Transfers Out	(344,001)	-	-	-	(344,001)
Proceeds from Sale of COPs	-	3,932,000	-	-	3,932,000
Total Other Financing Sources (Uses)	<u>(344,001)</u>	<u>4,276,001</u>	<u>-</u>	<u>-</u>	<u>3,932,000</u>
Net Change in Fund Balance	<u>1,478,781</u>	<u>(344,644)</u>	<u>159,627</u>	<u>43,083</u>	<u>1,336,847</u>
Fund Balance, Beginning of Year	<u>1,755,578</u>	<u>1,022,566</u>	<u>2,019,736</u>	<u>384,995</u>	<u>5,182,875</u>
Fund Balance, End of Year	<u>\$ 3,234,359</u>	<u>\$ 677,922</u>	<u>\$ 2,179,363</u>	<u>\$ 428,078</u>	<u>\$ 6,519,722</u>

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

Cardiff School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2023

Total change in fund balances, governmental funds: \$ 1,336,847

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

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

Expenditures for capital outlay	4,739,251	
Depreciation expense	<u>(600,191)</u>	
Net		4,139,060

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 524,746

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were: (3,932,000)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: 771,050

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: (4,316)

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 734,418

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

Cardiff School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities, Continued
For the Year Ended June 30, 2023

Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year the difference between OPEB expenses and actual employer OPEB contributions was: 55,913

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is: 11,386

Change in net position of governmental activities: \$ 3,637,104

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

Cardiff School District

Statement of Net Position – Enterprise Fund

June 30, 2023

	Enterprise Fund Child Care Services Fund
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 208,905
Total Current Assets	208,905
Total Assets	<u>\$ 208,905</u>
Deferred Outflows of Resources	
OPEB Related	\$ 16,280
Pension Related	250,560
Total Deferred Outflows of Resources	<u>\$ 266,840</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 7,695
Total Current Liabilities	7,695
Noncurrent Liabilities	
Net Pension Liability	614,890
Net OPEB Liability	50,866
Total Noncurrent Liabilities	665,756
Total Liabilities	<u>\$ 673,451</u>
Deferred Inflows of Resources	
OPEB Related	\$ 17,971
Pension Related	31,436
Total Deferred Inflows of Resources	<u>\$ 49,407</u>
Net Position	
Unrestricted (Deficit)	(247,113)
Total Net Position	<u>\$ (247,113)</u>

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

Cardiff School District

Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund
June 30, 2023

	Enterprise Fund
	Child Care Services Fund
Operating Revenues	
Child Care Service Fees	\$ 486,316
Total Operating Revenues	<u>486,316</u>
Operating Expenses	
Classified Salaries	337,896
Employee Benefits	149,479
Books and Supplies	22,018
Services and Other Operating Expenses	<u>11,161</u>
Total Operating Expenses	<u>520,554</u>
Operating Income (Loss)	<u>(34,238)</u>
Non-Operating Revenues/(Expenses)	
Interest and Investment Income	<u>2,855</u>
Total Nonoperating Revenues/(Expenses)	<u>2,855</u>
Change in Net Position	(31,383)
Total Net Position - Beginning	<u>(215,730)</u>
Total Net Position - Ending	<u><u>\$ (247,113)</u></u>

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

Cardiff School District

Statement of Cash Flows – Enterprise Fund

June 30, 2023

	Enterprise Fund
	Child Care Services Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 486,316
Cash Payments for Payroll and Benefits	(459,861)
Cash Payments to Other Suppliers for Goods and Services	(42,930)
Net Cash Provided (Used) by Operating Activities	(16,475)
Cash Flows from Investing Activities	
Cash from Interest and Investments	2,855
Net Cash Provided (Used) by Investing Activities	2,855
Net Increase (Decrease) in Cash and Cash Equivalents	(13,620)
Cash and Cash Equivalents, Beginning of Year	222,525
Cash and Cash Equivalents, End of Year	208,905
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (34,238)
Change in Assets and Liabilities:	
Decrease (Increase) in Operating Accounts Receivable	-
Decrease (Increase) in Deferred Outflows of Resources	(83,552)
Increase (Decrease) in Accounts Payable	(9,751)
Increase (Decrease) in Net Pension Liability	232,399
Increase (Decrease) In Net OPEB Liability	(1,634)
Increase (Decrease) in Deferred Inflows of Resources	(119,699)
Net Cash Provided (Used) by Operating Activities	\$ (16,475)

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

Cardiff School District

Notes to the Financial Statements

For the Year Ended June 30, 2023

A. Summary of Significant Accounting Policies

Cardiff School District (District) accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District operates under a locally elected Governing Board of Trustees form of government and provides educational services to grades K-6 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital facilities funds, debt service funds, student-related activities, and discretely presented component units.

2. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by GASB.

3. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions. Business type activities are financed in whole or in part by fees charged to external parties.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

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

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

Enterprise funds are used to account for activities that are proprietary in nature. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Governmental Funds

The District reports the following major governmental funds:

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

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other capital projects funds. Other authorized resources that may be deposited into this fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

Non-Major Governmental Funds

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

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

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

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

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

Capital Facilities Fund: The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

Proprietary Fund

Enterprise Fund: Enterprise funds are used to account for an activity for which a fee is charged to external users for goods or services. An enterprise fund is accounted for on the accrual basis. Capital assets and long-term liabilities are recorded in the fund. All revenues and expenses are recorded, regardless of when they are received or paid. The District reports the following enterprise fund:

Child Care Services Fund: This fund accounts for the activities of the Districts fee based child care program.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

4. Basis of Accounting – Measurement Focus

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

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

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

5. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid or at year end, whichever is sooner.

6. Budgets and Budgetary Accounting

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

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

7. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

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

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

b. Expenses/Expenditures

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

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

a. Deposits and Investments

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

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

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

b. Stores Inventories and Prepaid Expenditures

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

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

c. Capital Assets

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

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

d. Lease Assets & Lease Liabilities

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

e. Subscription Assets & Subscription Liabilities

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

f. Compensated Absences

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

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

g. Unearned Revenue

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

h. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

i. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

j. Minimum Fund Balance Policy

The District has adopted a policy to maintain a minimum economic uncertainty reserve of at least 3% of the total general fund expenditures and other financing uses. The reserve may be increased from time to time in order to address specific anticipated revenue or cash flow shortfalls. The primary purpose of this reserve is to avoid the need for service level reductions in the event of economic downturn. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Special Reserve Fund for Other Post-Employment Benefits (Fund 20) does not have continuing revenue sources that are either restricted or committed in nature. As such this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes.

l. Deferred Inflows and Deferred Outflows of Resources

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

m. Pensions

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

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

n. Postemployment Benefits Other than Pensions (OPEB)

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

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

9. Property Taxes

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

10. Use of Estimates

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

11. Fair Value Measurements

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

12. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2023. Those newly implemented pronouncements are as follows:

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

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

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

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

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

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

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

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Childcare Services	\$ (247,113)	Consistent with the requirements in GASB Statement No. 68 & GASB Statement No. 75 the District has recorded the liability for Pension and Other Post Employment Benefits; however, the District has elected not to fully fund the liabilities at this time as a result of the volatile state economy and state budget.
Enterprise Fund		

C. Fair Value Measurements

The District's investments at June 30, 2023, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
External investment pools measured at fair value				
San Diego County Treasury	\$ 6,596,727	\$ -	\$ 6,596,727	\$ -
Total investments by fair value level	\$ 6,596,727	\$ -	\$ 6,596,727	\$ -

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

D. Cash and Investments

As of June 30, 2023, the District held the following cash and cash equivalents:

	General Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash in County Treasury	\$ 3,615,998	\$ 343,297	\$ 2,240,472	\$ 367,168	\$ 6,566,935
Cash in County Treasury - FMV Adjustment	(98,626)	(9,363)	(61,109)	(10,015)	(179,113)
Cash in Bank and in Revolving Fund	72,819	-	-	-	72,819
Total Cash and Cash Equivalents	<u>\$ 3,590,191</u>	<u>\$ 333,934</u>	<u>\$ 2,179,363</u>	<u>\$ 357,153</u>	<u>\$ 6,460,641</u>
	Child Care Services Fund				
Cash in County Treasury	\$ 214,763				
Cash in County Treasury - FMV Adjustment	(5,858)				
Total Cash and Cash Equivalents	<u>\$ 208,905</u>				

1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$6,781,698 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$6,596,727. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances on hand and in banks (\$71,319 as of June 30, 2023) and in revolving fund (\$1,500 as of June 30, 2023) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

4. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At June 30, 2023, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 6,596,727

b. Custodial Credit Risk

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

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

At June 30, 2023, the District's bank balances were fully insured or collateralized and were therefore not exposed to custodial credit risk.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

c. Concentration of Credit Risk

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

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the San Diego County Treasury with a fair value of \$6,596,727. The average weighted maturity for this pool was 438 days at June 30, 2023.

e. Foreign Currency Risk

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

5. Investment Accounting Policy

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2023, consisted of:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government			
Special Education Programs	\$ 228,636	\$ -	\$ 228,636
EPA	30,660	-	30,660
Title I	65,287	-	65,287
Title II	17,771	-	17,771
ESSER/GEER	192,322	-	192,322
Child Nutrition	-	16,693	16,693
State Government			
ELO-G, Paraprofessional Staff	18,468	-	18,468
Lottery	38,159	-	38,159
Child Nutrition	-	55,956	55,956
Local Sources			
Mental Health	3,970	-	3,970
Other Local Sources	7,068	-	7,068
Total Accounts Receivable	<u>\$ 602,341</u>	<u>\$ 72,649</u>	<u>\$ 674,990</u>

F. Lease Receivable

The District holds a facilities lease agreement with Quality Children's Services for use of District owned facilities. The lease began July 1, 2019 with an initial term of June 30, 2023 and a right to extend for an additional three years to June 30, 2025. The lease began at a rate of \$5,810 in 2019-20 with periodic increases to \$6,500 in 2024-25. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.15%, which is an imputed rate.

Description	Balance Beginning of Year	Current Year Additions	Current Year Principal Collected	Balance End of Year
Quality Children's Services	\$ 215,999	\$ -	\$ 67,363	\$ 148,636
Total Leases Receivable	<u>\$ 215,999</u>	<u>\$ -</u>	<u>\$ 67,363</u>	<u>\$ 148,636</u>

Description	Balance Beginning of Year	Current Year Additions	Current Year Amortization	Balance End of Year
Quality Children's Services	\$ 201,205	\$ -	\$ 67,068	\$ 134,137
Total Deferred Inflows	<u>\$ 201,205</u>	<u>\$ -</u>	<u>\$ 67,068</u>	<u>\$ 134,137</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

G. Capital Assets

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

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 787,808	\$ -	\$ -	\$ 787,808
Work in Progress	2,659,910	-	2,659,910	-
Total capital assets not being depreciated	<u>3,447,718</u>	<u>-</u>	<u>2,659,910</u>	<u>787,808</u>
Capital assets being depreciated:				
Improvements	107,790	-	-	107,790
Buildings	24,218,145	7,236,928	-	31,455,073
Equipment	558,484	162,232	-	720,716
Total capital assets being depreciated	<u>24,884,419</u>	<u>7,399,160</u>	<u>-</u>	<u>32,283,579</u>
Less accumulated depreciation for:				
Improvements	(93,862)	(4,273)	-	(98,135)
Buildings	(6,881,618)	(560,488)	-	(7,442,106)
Equipment	(418,892)	(35,430)	-	(454,322)
Total accumulated depreciation	<u>(7,394,372)</u>	<u>(600,191)</u>	<u>-</u>	<u>(7,994,563)</u>
Total capital assets being depreciated, net	<u>17,490,047</u>	<u>6,798,969</u>	<u>-</u>	<u>24,289,016</u>
Governmental activities capital assets, net	<u>\$ 20,937,765</u>	<u>\$ 6,798,969</u>	<u>\$ 2,659,910</u>	<u>\$ 25,076,824</u>

Depreciation was charged to functions as follows:

	Governmental Activities
Instruction	\$ 579,159
Instruction Related Services	8,211
Pupil Services	1,444
General Administration	11,377
Total	<u>\$ 600,191</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

H. Interfund Balances & Activities

1. Due To and From Other Funds

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

<u>Interfund Receivable (Due From Other Funds)</u>	<u>Interfund Payable (Due To Other Funds)</u>	<u>Amount</u>	<u>Purpose</u>
Special Reserve for Capital Outlay Projects	General Fund	\$ 344,001	Capital Projects Contribution
	Total	<u>\$ 344,001</u>	

2. Transfers To and From Other Funds

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
Special Reserve for Capital Outlay Projects	General Fund	\$ 344,001	Capital Projects Contribution
	Total	<u>\$ 344,001</u>	

I. Accounts Payable

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

	<u>General Fund</u>	<u>Special Reserve Fund for Capital Outlay Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Vendor payables	\$ 79,683	\$ 13	\$ -	\$ 79,696
Payroll and related benefits	181,527	-	2,173	183,700
Total Accounts Payable	<u>\$ 261,210</u>	<u>\$ 13</u>	<u>\$ 2,173</u>	<u>\$ 263,396</u>

	<u>Child Care Services Fund</u>
Vendor payables	\$ 216
Payroll and related benefits	7,479
Total Accounts Payable	<u>\$ 7,695</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

J. Fund Balance Classifications of the Governmental Funds

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable Fund Balances					
Revolving Cash	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
Stores Inventory	-	-	-	449	449
Total Nonspendable	1,500	-	-	449	1,949
Restricted Fund Balances					
Capital Projects	-	-	-	319,612	319,612
Debt Service	-	-	2,179,363	-	2,179,363
Educational Programs	1,285,943	-	-	-	1,285,943
Associated Student Body	-	-	-	-	-
Child Nutrition Program	-	-	-	108,017	108,017
Other Purposes	274,645	-	-	-	274,645
Total Restricted	1,560,588	-	2,179,363	427,629	4,167,580
Assigned Fund Balances					
Capital Projects	-	677,922	-	-	677,922
OPEB	1,181	-	-	-	1,181
Total Assigned	1,181	677,922	-	-	679,103
Unassigned Fund Balances					
For Economic Uncertainty	1,671,090	-	-	-	1,671,090
Total Unassigned	1,671,090	-	-	-	1,671,090
Total Fund Balance	\$ 3,234,359	\$ 677,922	\$ 2,179,363	\$ 428,078	\$ 6,519,722

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

K. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. For the year ended June 30, 2023 the District did not issue any short term debt.

L. Long Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds					
Principal Balance	\$ 23,045,019	\$ -	\$ 356,746	\$ 22,688,273	\$ 372,237
Bond Premium	911,995	-	11,386	900,609	12,358
Accreted Interest	4,074,565	312,376	1,083,254	3,303,687	1,162,763
Total General Obligation Bonds	28,031,579	312,376	1,451,386	26,892,569	1,547,358
Certificates of Participation	2,577,000	3,932,000	168,000	6,341,000	181,000
Total OPEB Liability*	1,210,047	-	85,596	1,124,451	-
Net Pension Liability*	5,493,510	2,887,636	-	8,381,146	-
Compensated Absences*	31,299	4,316	-	35,615	35,615
Total Governmental Activities	\$ 37,343,435	\$ 7,136,328	\$ 1,704,982	\$ 42,774,781	\$ 1,763,973
Business Type Activities					
Total OPEB Liability*	\$ 52,500	\$ -	\$ 1,634	\$ 50,866	\$ -
Net Pension Liability*	382,491	232,399	-	614,890	-
Total Business Type Activities	\$ 434,991	\$ 232,399	\$ 1,634	\$ 665,756	\$ -

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for certificates of participation are made from the general fund.
- Payments for leases payable are made from the general fund.
- Payments for pension contributions are made from the general fund and the childcare services enterprise fund.
- Payments for OPEB contributions are made from the general fund and the childcare services enterprise fund.
- Payments for compensated absences are made from the general fund.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

2. General Obligation Bonds

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

On March 7, 2000, registered voters authorized the issuance of \$11,000,000 principal amount of general obligation bonds. The bonds were authorized to finance the repair, renovation, and construction of certain District property and facilities and pay costs of issuance incurred in connection with the issuance of the bonds. The Bonds represent a general obligation of the District, payable solely from ad valorem taxes for the payment of the principal and of interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). Of the total amount originally authorized, no amounts remain unissued.

On November 8, 2016, registered voters authorized the issuance of \$22,000,000 principal amount of general obligation bonds. The bonds were authorized to finance the repair, renovation, and construction of certain District property and equipment and pay costs of issuance incurred in connection with the issuance of the bonds. The bonds represent a general obligation of the District, payable solely from ad valorem taxes for the payment of the principal and of interest on the bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). Of the total amount originally authorized, no amounts remain unissued.

General obligation bonds at June 30, 2023 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2000 Election, Series A	7/19/2000	4.00 - 6.45%	8/1/2025	\$ 10,990,035
2016 Election, Series A	2/23/2017	2.00 - 5.00%	8/1/2046	14,000,000
2016 Election, Series B	2/14/2019	3.00 - 5.00%	8/1/2048	8,000,000
Total General Obligation Bonds				<u>\$ 32,990,035</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within</u>
2000 Election, Series A					
Principal Balance	\$ 1,400,020	\$ -	\$ 356,746	\$ 1,043,274	\$ 352,237
Premium	44,682	-	11,386	33,296	11,242
Accreted Interest	4,074,565	312,376	1,083,254	3,303,687	1,162,763
2016 Election, Series A					
Principal Balance	13,770,000	-	-	13,770,000	-
Premium	427,905	-	-	427,905	-
2016 Election, Series B					
Principal Balance	7,875,000	-	-	7,875,000	20,000
Premium	439,407	-	-	439,407	1,116
Total General Obligation Bonds	<u>\$ 28,031,579</u>	<u>\$ 312,376</u>	<u>\$ 1,451,386</u>	<u>\$ 26,892,569</u>	<u>\$ 1,547,358</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2024	\$ 372,237	\$ 855,231	\$ 1,162,762	\$ 2,390,230
2025	403,029	853,357	1,246,971	2,503,357
2026	438,007	849,607	1,331,994	2,619,608
2027	140,000	844,107	-	984,107
2028	185,000	836,356	-	1,021,356
2029-2033	1,735,000	3,976,557	-	5,711,557
2034-2038	3,465,000	3,374,589	-	6,839,589
2039-2043	5,865,000	2,430,423	-	8,295,423
2044-2048	8,400,000	1,136,590	-	9,536,590
2049	1,685,000	33,700	-	1,718,700
Total	<u>\$ 22,688,273</u>	<u>\$ 15,190,517</u>	<u>\$ 3,741,727</u>	<u>\$ 41,620,517</u>

Accreted Interest

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

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2023.

Bond Premium

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

Premiums issued on general obligation bonds resulted in effective interest rates as follows:

	2000 Series A	2016 Series A	2016 Series B
Total Interest Payments on Bonds	\$ 13,217,006	\$ 12,803,103	\$ 6,854,484
Less Bond Premium	<u>(266,374)</u>	<u>(435,053)</u>	<u>(446,382)</u>
Net Interest Payments	<u>12,950,632</u>	<u>12,368,050</u>	<u>6,408,102</u>
Par Amount of Bonds	10,999,035	14,000,000	8,000,000
Periods	25	30	30
Effective Interest Rate	4.71%	2.94%	2.67%

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

3. Certificates of Participation

On May 14, 2020 the Board of Directors of the Cardiff School District issued Resolution 19-20-13 for the authorization, execution, and delivery of a lease-sublease agreement issued in the form of certificates of participation for an amount not to exceed \$3,000,000. The purpose of the issuance is to finance capital improvements to school facilities at Ada W. Harris Elementary School and Cardiff Elementary School and to pay the costs of issuing the debt. Initial valuations estimated issuance of \$2,495,000. Final valuation of leased property was determined to be \$2,725,000, which represented the final issued amount of the certificates of participation. The debt bears an interest rate of 3.15% with semi-annual principal and interest payments due December 1 and June 1 annually through June 1, 2045.

On July 1, 2022 the Board of Directors of the Cardiff School District issued Resolution 22-23-01 for the authorization, execution, and delivery of a lease-sublease agreement issued in the form of certificates of participation for an amount not to exceed \$4,000,000. The purpose of the issuance is to finance capital improvements to school facilities at Ada W. Harris Elementary School and Cardiff Elementary School and to pay the costs of issuing the debt. Initial valuations estimated issuance of \$3,850,000. Final valuation of leased property was determined to be \$3,932,000, which represented the final issued amount of the certificates of participation. The debt bears an interest rate of 3.75% with semi-annual principal and interest payments due December 1 and June 1 annually through June 1, 2047.

The following represents certificates of participation as of June 30, 2023:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2020 Certificates of Participation	5/20/2020	3.15%	6/1/2045	\$ 2,725,000
2023 Certificates of Participation	7/7/2022	3.75%	6/1/2047	3,932,000
Total COPs				<u>\$ 6,657,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2020 Certificates of Participation Principal balance	\$ 2,577,000	\$ -	\$ 78,000	\$ 2,499,000	\$ 80,000
2023 Certificates of Participation Principal balance	-	3,932,000	90,000	3,842,000	101,000
Total COPs	<u>\$ 2,577,000</u>	<u>\$ 3,932,000</u>	<u>\$ 168,000</u>	<u>\$ 6,341,000</u>	<u>\$ 181,000</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

Year Ended June 30,	Principal	Interest	Total
2024	\$ 181,000	\$ 78,087	\$ 259,087
2025	188,000	75,553	263,553
2026	194,000	72,923	266,923
2027	201,000	70,214	271,214
2028	208,000	67,426	275,426
2029-2033	1,156,000	291,879	1,447,879
2034-2038	1,375,000	207,302	1,582,302
2039-2043	1,634,000	108,549	1,742,549
2044-2045	1,204,000	12,080	1,216,080
Total	<u>\$ 6,341,000</u>	<u>\$ 984,013</u>	<u>\$ 7,325,013</u>

4. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2023 amounted to \$35,615. This amount is included as part of long-term liabilities in the government-wide financial statements.

5. Net Pension Liability

The District's combined beginning net pension liability was \$5,876,001 and increased by \$3,120,035 during the year ended June 30, 2023 for a combined ending net pension liability of \$8,996,036 See Note M for additional information regarding the net pension liability.

6. Total OPEB Liability

The District's combined beginning total OPEB liability was \$1,262,547 and decreased by \$87,230 during the year ended June 30, 2023 for an ending total OPEB liability of \$1,175,317. See Note N for additional information regarding the net OPEB liability.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

M. Pension Plans

1. General Information about the Pension Plans

a. Plan Descriptions

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

b. Benefits Paid

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

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55-60	55-62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (2022-23)	10.250%	10.205%
Required Employer Contribution Rates (2022-23)	19.100%	19.100%
Required State Contribution Rates (2022-23)	10.828%	10.828%

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%*
Required Employee Contribution Rates (2022-23)	7.000%	8.000%
Required Employer Contribution Rates (2022-23)	25.370%	25.370%

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

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

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2023, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2023. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2023, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 25.37% of covered payroll.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

On Behalf Payments

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2023 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS		
	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2021	10.328%	\$ 508,209	\$ 361,254
2022	10.828%	514,392	85,698
2023	10.828%	466,744	1,558,590

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

d. Contributions Recognized

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

Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 1,014,210	\$ 446,544	\$ 1,460,754
Contributions - State On Behalf Payments	466,744	-	466,744
Total Governmental Funds	<u>\$ 1,480,954</u>	<u>\$ 446,544</u>	<u>\$ 1,927,498</u>
Enterprise Fund Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ -	\$ 63,567	\$ 63,567
Contributions - State On Behalf Payments	(0)	-	(0)
Total Enterprise Funds	<u>\$ (0)</u>	<u>\$ 63,567</u>	<u>\$ 63,567</u>
Government-Wide Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Governmental Activities			
Contributions - Employer	\$ 820,512	\$ 320,780	\$ 1,141,292
Contributions - State On Behalf Payments	514,392	-	514,392
Total Governmental Activities	<u>\$ 1,334,904</u>	<u>\$ 320,780</u>	<u>\$ 1,655,684</u>
Business-Type Activities			
Contributions - Employer	\$ -	\$ 63,567	\$ 63,567
Contributions - State On Behalf Payments	(0)	-	(0)
Total Business-Type Activities	<u>\$ (0)</u>	<u>\$ 63,567</u>	<u>\$ 63,567</u>
Total Government-Wide	<u>\$ 1,334,904</u>	<u>\$ 384,347</u>	<u>\$ 1,719,251</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

As of June 30, 2022 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability		
	CalSTRS	CalPERS	Total
Governmental Activities	\$ 5,278,135	\$ 3,103,011	\$ 8,381,146
Business-Type Activities	-	614,890	614,890
Total	<u>\$ 5,278,135</u>	<u>\$ 3,717,901</u>	<u>\$ 8,996,036</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to measurement date June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2022 and June 30, 2023 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
<u>Governmental Activities</u>				
Proportion June 30, 2022	0.008266%	0.005356%	0.013622%	0.008517%
Proportion June 30, 2023	0.007596%	0.004633%	0.012229%	0.009018%
Change in Proportion	<u>-0.000670%</u>	<u>-0.000723%</u>	<u>-0.001393%</u>	<u>0.000501%</u>
<u>Business-Type Activities</u>				
Proportion June 30, 2022	0.000000%	0.000000%	0.000000%	0.001881%
Proportion June 30, 2023	0.000000%	0.000000%	0.000000%	0.001787%
Change in Proportion	<u>0.000000%</u>	<u>0.000000%</u>	<u>0.000000%</u>	<u>-0.000094%</u>

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

a. Pension Expense

	Governmental Activities		
	CalSTRS	CalPERS	Total
State On Behalf Pension Expense	\$ 1,558,590	\$ -	\$ 1,558,590
Employer Contributions	1,014,210	446,544	1,460,754
Change In:			
Net Pension Liability	1,516,509	1,371,127	2,887,636
Deferred Outflows of Resources	190,697	(1,391,798)	(1,201,101)
Deferred Inflows of Resources	(2,362,230)	(58,723)	(2,420,953)
Total Pension Expense - Governmental	<u>\$ 1,917,776</u>	<u>\$ 367,150</u>	<u>\$ 2,284,926</u>
	Business-Type Activities		
	CalSTRS	CalPERS	Total
State On Behalf Pension Expense	\$ -	\$ -	\$ -
Employer Contributions	-	63,567	63,567
Change In:			
Net Pension Liability	-	232,399	232,399
Deferred Outflows of Resources	-	(232,802)	(232,802)
Deferred Inflows of Resources	-	28,404	28,404
Total Pension Expense - Business-Type	<u>\$ -</u>	<u>\$ 91,568</u>	<u>\$ 91,568</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2023, The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Contributions Subsequent to Measurement	\$ 1,014,210	\$ 446,544	\$ 1,460,754
Experience Differences	3,974	15,085	19,059
Changes in Assumptions	212,775	229,543	442,318
Changes in Proportionate Share	170,947	81,501	252,448
Earnings Differences	-	402,062	402,062
Total Governmental Activities	<u>1,401,906</u>	<u>1,174,735</u>	<u>2,576,641</u>
<u>Business-Type Activities</u>			
Contributions Subsequent to Measurement	-	71,006	71,006
Experience Differences	-	2,458	2,458
Changes in Assumptions	-	45,486	45,486
Changes in Proportionate Share	-	66,639	66,639
Earnings Differences	-	64,971	64,971
Total Business-Type Activities	<u>-</u>	<u>250,560</u>	<u>\$ 250,560</u>
Total Deferred Outflows of Resources	<u>\$ 1,401,906</u>	<u>\$ 1,425,295</u>	<u>\$ 2,827,201</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Experience Differences	\$ 421,050	\$ 77,047	\$ 498,097
Changes in Proportionate Share	435,283	288,471	723,754
Earnings Differences	445,744	-	445,744
Total Governmental Activities	\$ 1,302,077	\$ 365,518	\$ 1,667,595
<u>Business-Type Activities</u>			
Experience Differences	\$ -	\$ 15,329	\$ 15,329
Changes in Proportionate Share	-	16,107	16,107
Total Business-Type Activities	\$ -	\$ 31,436	\$ 31,436
Total Deferred Inflows of Resources	\$ 1,302,077	\$ 396,954	\$ 1,699,031

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2024. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	Governmental Activities				
	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2024	\$ 1,252,785	\$ 634,101	\$ (500,419)	\$ (158,677)	\$ 1,227,790
2025	68,701	166,684	(513,783)	(131,000)	(409,398)
2026	68,702	130,169	(527,359)	(75,841)	(404,329)
2027	11,718	243,781	315,575	-	571,074
2028	-	-	(57,939)	-	(57,939)
Thereafter	-	-	(18,152)	-	(18,152)
Total	\$ 1,401,906	\$ 1,174,735	\$ (1,302,077)	\$ (365,518)	\$ 909,046

Year Ended June 30,	Business-Type Activities				
	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2024	\$ -	\$ 125,323	\$ -	\$ (9,611)	\$ 115,712
2025	-	43,645	-	(9,610)	34,035
2026	-	37,322	-	(8,393)	28,929
2027	-	44,270	-	(3,822)	40,448
Total	\$ -	\$ 250,560	\$ -	\$ (31,436)	\$ 219,124

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

c. Actuarial Assumptions

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

	CalSTRS	CalPERS
Fiscal Year	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Payroll Growth	3.50%	(3)
Investment Rate of Return	7.00%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

- (1) CalSTRS post-retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.
- (2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.
- (3) Varies by entry age and service.
- (4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.
- (5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

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

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

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

	CalSTRS		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
1% Decrease	6.10%	6.10%	6.10%
Net Pension Liability	\$ 8,964,267	\$ -	\$ 8,964,267
Current Discount Rate	7.10%	7.10%	7.10%
Net Pension Liability	\$ 5,278,135	\$ -	\$ 5,278,135
1% Increase	8.10%	8.10%	8.10%
Net Pension Liability	\$ 2,217,576	\$ -	\$ 2,217,576
	CalPERS		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 4,482,457	\$ 888,240	\$ 5,370,697
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 3,103,011	\$ 614,890	\$ 3,717,901
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 1,962,950	\$ 388,977	\$ 2,351,927

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

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

CalSTRS Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2022					
(Previously Reported)	<u>\$ 48,467,167</u>	<u>\$ 42,268,174</u>	<u>\$ 6,198,993</u>	<u>\$ 2,437,366</u>	<u>\$ 3,761,627</u>
Changes for the year					
Change in proportionate share	(4,956,303)	(4,322,388)	(633,915)	(329,017)	(304,898)
Service cost	938,576	-	938,576	355,583	582,993
Interest	3,081,219	-	3,081,219	1,167,331	1,913,888
Experience differences	(204,591)	-	(204,591)	(77,510)	(127,081)
Change in assumptions	-	-	-	-	-
Change in benefits	8,560	-	8,560	3,243	5,317
Contributions:					
Employer	-	797,497	(797,497)	(302,134)	(495,363)
Employee	-	497,418	(497,418)	(188,448)	(308,970)
State on behalf	-	523,397	(523,397)	(198,291)	(325,106)
Net investment income	-	(903,759)	903,759	342,392	561,367
Other income	-	15,922	(15,922)	(6,032)	(9,890)
Benefit payments ⁽¹⁾	(2,143,336)	(2,143,336)	-	-	-
Administrative expenses	-	(23,372)	23,372	8,854	14,518
Borrowing costs	-	(15,016)	15,016	5,689	9,327
Other expenses	-	(653)	653	247	406
Net changes	<u>(3,275,875)</u>	<u>(5,574,290)</u>	<u>2,298,415</u>	<u>781,907</u>	<u>1,516,508</u>
Balance at June 30, 2023	<u><u>\$ 45,191,292</u></u>	<u><u>\$ 36,693,884</u></u>	<u><u>\$ 8,497,408</u></u>	<u><u>\$ 3,219,273</u></u>	<u><u>\$ 5,278,135</u></u>

(1) – Includes refunds of employee contributions

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2022			
(Previously Reported)	\$ 9,101,052	\$ 7,369,169	\$ 1,731,883
Changes for the year			
Change in proportionate share	535,356	433,481	101,875
Service cost	224,126	-	224,126
Interest	670,562	-	670,562
Experience differences	(99,954)	-	(99,954)
Change in assumptions	308,696	-	308,696
Change in benefits	-	-	-
Contributions:			
Employer	-	320,780	(320,780)
Employee	-	99,580	(99,580)
Nonemployer	-	-	-
Net plan to plan resource movement	-	-	-
Net investment income	-	(581,340)	581,340
Benefit payments ⁽¹⁾	(477,842)	(477,842)	-
Administrative expenses	-	(4,843)	4,843
Other expenses	-	-	-
Net changes	1,160,944	(210,184)	1,371,128
Balance at June 30, 2023	\$ 10,261,996	\$ 7,158,985	\$ 3,103,011

(1) – Includes refunds of employee contributions

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

CalPERS Business Type Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2022			
(Previously Reported)	\$ 2,009,989	\$ 1,627,499	\$ 382,490
Changes for the year			
Change in proportionate share	(100,446)	(81,332)	(19,114)
Service cost	44,413	-	44,413
Interest	132,878	-	132,878
Experience differences	(19,807)	-	(19,807)
Change in assumptions	61,171	-	61,171
Change in benefits	-	-	-
Contributions:			
Employer	-	63,566	(63,566)
Employee	-	19,733	(19,733)
Nonemployer	-	-	-
Net plan to plan resource movement	-	-	-
Net investment income	-	(115,198)	115,198
Benefit payments ⁽¹⁾	(94,689)	(94,689)	-
Administrative expenses	-	(960)	960
Other expenses	-	-	-
Net changes	23,520	(208,880)	232,400
Balance at June 30, 2023	\$ 2,033,509	\$ 1,418,619	\$ 614,890

(1) – Includes refunds of employee contributions

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

N. Postemployment Benefits Other than Pension Benefits (OPEB)

1. Plan Description

The District's defined benefit OPEB plan, Cardiff School District Retiree Health Care Plan (the Plan) provides OPEB for retirees that meet eligibility requirements until age 65. Retirees in the plan are eligible for the same medical plans as active employees. The Plan is a single employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lie with the Districts governing board. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

2. Benefits Provided

Certificated Employees

The District provides retiree medical benefits (including prescription drug), dental and vision benefits to eligible retirees and their dependents. Eligibility for retiree health coverage requires retirement under CalSTRS with at least 15 consecutive years of benefit eligible District service. Retiree health benefits end at the earlier of the end of 5 years or the retiree's attainment of age 65. The District contribution for retiree health coverage is to pay up to the same annual cap as active employees in place at retirement (currently \$8,591.80). Dependent coverage (except COBRA continuation) ceases upon the death of the retiree.

Classified & Other Employees

The District provides retiree medical benefits (including prescription drug), dental and vision benefits to eligible retirees and their dependents. Eligibility for the retiree health coverage requires retirement under CalPERS on or after age 55 with at least 15 consecutive years of benefit eligible District service. Retiree health benefits end at the earlier of the end of 5 years or the retiree's attainment of age 65. The District contribution for retiree health coverage is to pay up to the same annual cap as active employees in place at retirement (currently \$8,591.80). Dependent coverage (except COBRA continuation) ceases upon the death of the retiree.

3. Contributions

The District contributes 100% up to a cap of \$8,591.80. Retirees are not required to make any contributions, unless the cost of coverage exceeds the cap. For the year ended June 30, 2023 retirees did not make any contributions to the healthcare plan.

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

4. Plan Membership

Membership of the plan consisted of the following as of June 30, 2023:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>65</u>
	<u>68</u>

5. Total OPEB Liability

The Cardiff School District's total OPEB liability of \$1,175,317 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021.

6. Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Economic assumptions:

Inflation	2.50% per annum
Salary increases	2.75% per annum, in aggregate
Discount rate	4.09%
Healthcare cost trend rates	7.25% decreasing to 4.50%
Retiree's share of costs	0.00%

The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Index, Bond Buyer 20-Bond GO Index, and Fidelity GO 20 Year Bond Index.

Mortality rates are based on the SOA Pub 2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019, the SOA Pub-2010 Teachers Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019, and SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019.

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

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

All employees eligible as of the measurement date in accordance with provisions of the Plan were included in the valuation.

7. Changes in Total OPEB Liability

	Governmental Activities	Business Type Activities	Total
Balance at June 30, 2022	\$ 1,210,047	\$ 52,500	\$ 1,262,547
Service Cost	82,983	3,754	86,737
Interest	27,421	1,240	28,661
Change in Proportionate Shares	(2,142)	2,142	-
Changes in Benefit Terms	(321)	(15)	(336)
Experience Differences	4,182	189	4,371
Changes in Assumptions	(119,646)	(5,412)	(125,058)
Benefit Payments	(78,073)	(3,532)	(81,605)
Net Changes	(85,596)	(1,634)	(87,230)
			-
Balance at June 30, 2023	\$ 1,124,451	\$ 50,866	\$ 1,175,317

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

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

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability - Governmental Activities	\$ 1,270,334	\$ 1,124,451	\$ 1,145,771
Total OPEB Liability - Business Type Activities	57,465	50,866	51,830
Total Total OPEB Liability	\$ 1,327,799	\$ 1,175,317	\$ 1,197,601

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

9. Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	6.25%	7.25%	8.25%
	Decreasing to 3.50%	Decreasing to 4.50%	Decreasing to 5.50%
Total OPEB Liability - Governmental Activities	\$ 1,153,244	\$ 1,124,451	\$ 1,260,554
Total OPEB Liability - Business Type Activities	52,168	50,866	57,023
Total Total OPEB Liability	<u>\$ 1,205,412</u>	<u>\$ 1,175,317</u>	<u>\$ 1,317,577</u>

10. OPEB Expense

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$(13,342).

11. Deferred Outflows and Deferred Inflows of Resources Related to OPEB

At June 30, 2023 the District reported deferred outflows and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources		
	Governmental Activities	Business Type Activities	Total
Changes of Assumptions	\$ 54,111	\$ 2,961	\$ 57,072
Changes in Proportionate Shares	7,191	10,360	17,551
Subsequent Contributions	61,657	2,789	64,446
Experience Differences	3,764	170	3,934
Total Deferred Outflows of Resources	<u>\$ 126,723</u>	<u>\$ 16,280</u>	<u>\$ 143,003</u>

	Deferred Inflows of Resources		
	Governmental Activities	Business Type Activities	Total
Experience Differences	\$ 40,272	\$ 2,124	\$ 42,396
Changes of Assumptions	188,130	8,656	196,786
Changes in Proportionate Shares	10,360	7,191	17,551
Total Deferred Inflows of Resources	<u>\$ 238,762</u>	<u>\$ 17,971</u>	<u>\$ 256,733</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will impact OPEB expense under the following amortization schedule:

Governmental Activities			
Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2024	\$ 74,006	\$ (38,615)	\$ 35,391
2025	12,349	(38,615)	(26,266)
2026	12,349	(29,883)	(17,534)
2027	9,952	(29,045)	(19,093)
2028	9,951	(29,046)	(19,095)
Thereafter	8,116	(73,558)	(65,442)
Total	<u>\$ 126,723</u>	<u>\$ (238,762)</u>	<u>\$ (112,039)</u>

Business Type Activities			
Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2024	\$ 7,761	\$ (4,117)	\$ 3,644
2025	4,972	(4,117)	855
2026	756	(3,787)	(3,031)
2027	756	(1,345)	(589)
2028	757	(1,343)	(586)
Thereafter	1,278	(3,262)	(1,984)
Total	<u>\$ 16,280</u>	<u>\$ (17,971)</u>	<u>\$ (1,691)</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

O. Risk Management

The District is exposed to risk of losses due to:

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

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

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

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

P. Participation in Joint Powers Authorities

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

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

Q. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

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

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

2. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District as of June 30, 2023.

3. Construction Commitments

As of June 30, 2023, the District did not have any construction commitments.

R. Deferred Outflows of Resources

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

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

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

Description	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Pension Related				
CalSTRS	\$ 1,592,603	\$ 1,014,210	\$ 1,204,907	\$ 1,401,906
CalPERS	(217,063)	1,974,148	582,350	1,174,735
OPEB Related	73,233	65,839	12,349	126,723
Total Governmental Activities	1,448,773	3,054,197	1,799,606	2,703,364
<u>Business Type Activities:</u>				
Pension Related				
CalPERS	17,758	353,527	120,725	250,560
OPEB Related	16,132	5,120	4,972	16,280
Total Business Type Activities	33,890	358,647	125,697	266,840
Total Deferred Outflows of Resources	\$ 1,482,663	\$ 3,412,844	\$ 1,925,303	\$ 2,970,204

Future amortization of deferred outflows is as follows:

Year Ended June 30,	Governmental Activities		
	Pension Related	OPEB Related	Total
2024	\$ 1,886,886	\$ 74,006	\$ 1,960,892
2025	235,385	12,349	247,734
2026	198,871	12,349	211,220
2027	255,499	9,952	265,451
2028	-	9,951	9,951
Thereafter	-	8,116	8,116
Total	\$ 2,576,641	\$ 126,723	\$ 2,703,364

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

Year Ended June 30,	Business Type Activities		
	Pension Related	OPEB Related	Total
2024	\$ 125,323	\$ 7,761	\$ 133,084
2025	43,645	4,972	48,617
2026	37,322	756	38,078
2027	44,270	756	45,026
2028	-	757	757
Thereafter	-	1,278	1,278
Total	<u>\$ 250,560</u>	<u>\$ 16,280</u>	<u>\$ 266,840</u>

S. Deferred Inflows of Resources

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

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

In accordance with GASB Statement No. 87 deferred rent is recorded as a deferred inflow of resources and amortized over the life of the lease receivable.

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

Description	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Pension Related				
CalSTRS	\$ 3,664,307	\$ (1,795,320)	\$ 566,910	\$ 1,302,077
CalPERS	424,241	99,954	158,677	365,518
OPEB Related	155,589	121,788	38,615	238,762
Deferred Rent Income	201,206	-	67,069	134,137
Total Governmental Activities	<u>4,445,343</u>	<u>(1,573,578)</u>	<u>831,271</u>	<u>2,040,494</u>
<u>Business Type Activities:</u>				
Pension Related				
CalPERS	3,032	38,921	10,517	31,436
OPEB Related	16,676	5,412	4,117	17,971
Total Business Type Activities	<u>19,708</u>	<u>44,333</u>	<u>14,634</u>	<u>49,407</u>
Total Deferred Outflows of Resources	<u>\$ 4,465,051</u>	<u>\$ (1,529,245)</u>	<u>\$ 845,905</u>	<u>\$ 2,089,901</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

 Future amortization of deferred inflows is as follows:

Year Ended June 30,	Governmental Activities			
	Pension Related	OPEB Related	Deferred Rent	Total
2024	\$ 659,096	\$ 38,615	\$ 67,068	\$ 764,779
2025	644,783	38,615	67,068	750,466
2026	603,200	29,883	-	633,083
2027	(315,575)	29,045	-	(286,530)
2028	57,939	29,046	-	86,985
Thereafter	18,152	73,558	-	91,710
Total	<u>\$ 1,667,595</u>	<u>\$ 238,762</u>	<u>\$ 134,136</u>	<u>\$ 2,040,493</u>

Business Type Activities			
Year Ended June 30,	Pension Related	OPEB Related	Total
2024	\$ 9,611	\$ 4,117	\$ 13,728
2025	9,610	4,117	13,727
2026	8,393	3,787	12,180
2027	3,822	1,345	5,167
2028	-	1,343	1,343
Thereafter	-	3,262	3,262
Total	<u>\$ 31,436</u>	<u>\$ 17,971</u>	<u>\$ 49,407</u>

Cardiff School District

Notes to the Financial Statements, Continued

June 30, 2023

T. Upcoming Accounting Guidance

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

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

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

Required Supplementary Information

Cardiff School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
LCFF Sources				
State Apportionment	\$ 386,644	\$ 386,644	\$ 386,643	\$ (1)
Education Protection Account	116,614	123,150	121,646	(1,504)
Property Taxes	10,164,194	10,164,823	10,655,627	490,804
Federal Revenue	397,687	474,059	612,823	138,764
Other State Revenue	943,379	1,055,881	1,613,074	557,193
Interest and Investment Income	25,000	25,000	29,757	4,757
Other Local Revenue	651,612	666,305	974,801	308,496
Total Revenues	12,685,130	12,895,862	14,394,371	1,498,509
Expenditures				
Current Expenditures:				
Certificated Salaries	5,469,416	5,566,015	5,416,843	149,172
Classified Salaries	1,862,295	1,862,295	1,914,663	(52,368)
Employee Benefits	3,103,652	3,139,830	2,786,545	353,285
Books and Supplies	418,465	402,315	357,821	44,494
Services and Other Operating	1,168,050	1,196,291	1,457,569	(261,278)
Other Outgo	195,000	175,000	95,498	79,502
Capital Outlay	-	69,500	162,233	(92,733)
Debt Service				
Principal	80,577	168,000	168,000	-
Interest	78,000	212,438	212,438	-
Total Expenditures	12,375,455	12,791,684	12,571,610	220,074
Excess (Deficiency) of Revenues Over Expenditures				
	309,675	104,178	1,822,761	1,718,583
Other Financing Sources (Uses)				
Interfund Transfers Out	(155,000)	(65,000)	(344,001)	(279,001)
Net Financing Sources (Uses)	(155,000)	(65,000)	(344,001)	(279,001)
Net Change in Fund Balance				
	154,675	39,178	1,478,760	1,439,582
Fund Balance - Beginning of Year	1,754,418	1,754,418	1,754,418	-
Fund Balance - End of Year	\$ 1,909,093	\$ 1,793,596	\$ 3,233,178	\$ 1,439,582

See Accompanying Notes to Required Supplementary Information

Cardiff School District

Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0076%	0.0083%	0.0080%	0.0085%	0.0085%	0.0083%	0.0083%	0.0094%	0.0087%	N/A
District's proportionate share of the net pension liability (asset)	\$ 5,278,135	\$ 3,761,626	\$ 7,725,589	\$ 7,667,963	\$ 7,824,043	\$ 7,675,860	\$ 6,684,591	\$ 6,344,141	\$ 5,109,658	N/A
State's proportionate share of the net pension liability (asset) associated with the District	3,219,273	2,437,366	4,282,687	4,402,079	4,283,685	4,524,134	3,986,634	3,183,075	2,931,776	N/A
Total	<u>\$ 8,497,408</u>	<u>\$ 6,198,992</u>	<u>\$ 12,008,276</u>	<u>\$ 12,070,042</u>	<u>\$ 12,107,728</u>	<u>\$ 12,199,994</u>	<u>\$ 10,671,225</u>	<u>\$ 9,527,216</u>	<u>\$ 8,041,434</u>	<u>N/A</u>
District's covered payroll**	4,849,362	4,856,731	4,907,690	4,563,606	4,520,949	4,388,633	4,106,199	4,354,685	\$ 3,874,485	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	108.84%	77.45%	157.42%	169.61%	178.28%	174.90%	162.79%	145.69%	131.88%	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%	N/A

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

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

See Accompanying Notes to Required Supplementary Information

Cardiff School District

Schedule of the District's Contributions - CalSTRS

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,014,210	\$ 820,512	\$ 784,362	\$ 839,215	\$ 932,149	\$ 652,373	\$ 552,090	\$ 440,595	\$ 386,696	N/A
Contributions in relation to the contractually required contribution	(1,014,210)	(820,512)	(784,362)	(839,215)	(932,149)	(652,373)	(552,090)	(440,595)	(386,696)	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
District's covered payroll**	\$ 5,310,000	\$ 4,849,362	\$ 4,856,731	\$ 4,907,690	\$ 5,725,730	\$ 4,520,949	\$ 4,388,633	\$ 4,106,199	\$ 4,354,685	N/A
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%	N/A

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

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

See Accompanying Notes to Required Supplementary Information

Cardiff School District

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

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0108%	0.0104%	0.0109%	0.0118%	0.0122%	0.0121%	0.0120%	0.0123%	0.0119%	N/A
District's proportionate share of the net pension liability (asset)	\$ 3,717,901	\$ 2,114,375	\$ 3,355,501	\$ 3,445,433	\$ 3,253,704	\$ 2,885,486	\$ 2,364,669	\$ 1,809,817	\$ 1,347,510	N/A
District's covered payroll**	\$ 1,400,175	\$ 1,222,928	\$ 1,362,766	\$ 1,435,334	\$ 1,626,992	\$ 1,552,412	\$ 1,449,886	\$ 1,365,415	\$ 1,079,545	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	265.53%	172.89%	246.23%	240.04%	199.98%	185.87%	163.09%	132.55%	124.82%	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%	N/A

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

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

See Accompanying Notes to Required Supplementary Information

Cardiff School District

Schedule of the District's Contributions - CalPERS

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2013
Contractually required contribution	\$ 446,544	\$ 320,780	\$ 253,146	\$ 268,751	\$ 259,250	\$ 223,122	\$ 189,791	\$ 151,305	\$ 141,993	N/A
Contributions in relation to the contractually required contribution	(446,544)	(320,780)	(253,146)	(268,751)	(259,250)	(223,122)	(189,791)	(151,305)	\$ (141,993)	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
District's covered payroll**	1,760,126	\$ 1,400,175	\$ 1,222,928	\$ 1,362,766	\$ 1,435,334	\$ 1,626,991	\$ 1,552,412	\$ 1,449,886	\$ 1,365,415	N/A
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%	13.714%	12.226%	10.436%	10.399%	N/A

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

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

See Accompanying Notes to Required Supplementary Information

Cardiff School District

Schedule of Changes in the District's Total OPEB Liability and Related Ratios – CSD Retiree Health Benefit Plan Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2016	2015	2014	2013
Total OPEB liability:										
Service cost	\$ 86,737	\$ 89,296	\$ 76,584	\$ 74,933	\$ 73,907	\$ 78,324	N/A	N/A	N/A	N/A
Interest	28,661	37,157	45,835	45,400	44,575	38,546	N/A	N/A	N/A	N/A
Changes of benefit terms	(336)	(19,539)	-	-	-	-	N/A	N/A	N/A	N/A
Experience differences	4,371	(15,232)	(18,110)	(33,254)	-	-	N/A	N/A	N/A	N/A
Changes of assumptions	(125,058)	(92,435)	61,075	29,439	(7,085)	(38,744)	N/A	N/A	N/A	N/A
Benefit payments	(81,605)	(87,996)	(85,925)	(133,799)	(118,794)	(111,544)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(87,230)	(88,749)	79,459	(17,281)	(7,397)	(33,418)	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	1,262,547	1,351,296	1,271,837	1,289,118	1,296,515	1,329,933	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 1,175,317</u>	<u>\$ 1,262,547</u>	<u>\$ 1,351,296</u>	<u>\$ 1,271,837</u>	<u>\$ 1,289,118</u>	<u>\$ 1,296,515</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll**	N/A	N/A	5,900,933	5,743,000	5,089,000	5,089,000	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	22.90%	22.15%	25.33%	25.48%	N/A	N/A	N/A	N/A

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

**Benefits are not calculated based on payroll and as such covered payroll is not applicable.

See Accompanying Notes to Required Supplementary Information

Cardiff School District

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Other Post-Employment Benefits (Fund 20) was included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Basic Financial Statements Ending Fund Balance	\$ 3,234,359
Less Fund 20 Fund Balance	<u>(1,181)</u>
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 3,233,178</u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ 1,478,781
Less Fund 20 Net Change in Fund Balance	<u>(21)</u>
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u>\$ 1,478,760</u>

Excess of Expenditures Over Appropriations

As of June 30, 2023, the District's expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
General Fund:		
Classified Salaries	\$ 52,368	The District underestimated costs of classified salaries.
Services and Other	261,278	The District underestimated the costs of services and other operating expenditures.
Capital Outlay	92,733	The District underestimated the costs of equipment replacement.

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

Cardiff School District

Notes to Required Supplementary Information, Continued
For the Year Ended June 30, 2023

Schedule of District's Proportionate Share – CalSTRS

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

Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 2020 (released in May 2021). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/15	07/01/06 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

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

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

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

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

Cardiff School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2023

Schedule of District's Proportionate Share – CalPERS

1. Benefit Changes: There were no changes to benefits during the periods being reported.
2. Changes in Assumptions. On December 21, 2016, the CalPERS Board lowered the discount rate for funding purposes from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016, actuarial valuations and the June 30, 2017 valuations for the School Pool. Subsequently the CalPERS Board decrease from 7.25% to 7.15% for the school pool valuation occurred in the June 30, 2019, valuation. Finally, the CalPERS board decreased the discount rate from 7.15% to 6.90% for measurement date June 30, 2022 as a result of the 2021 experience study. Additional adjustments were made to mortality and other assumptions based upon the experience study completed in 2021.

Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 2020. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

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

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/00 - 06/30/19
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.15%	7.15%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	2.75%	2.75%	2.75%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

Cardiff School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2023

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

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

<u>Year</u>	<u>Discount Rate</u>
2018	3.40%
2019	3.50%
2020	3.51%
2021	2.66%
2022	2.19%
2023	4.09%

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

Combining Statements as Supplementary Information

Cardiff School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Cafeteria Fund	Building Fund	Capital Facilities Fund	
Assets				
Cash and Cash Equivalents	\$ 37,541	\$ 2,986	\$ 316,626	\$ 357,153
Accounts Receivable	72,649	-	-	72,649
Stores Inventories	449	-	-	449
Total Assets	<u>\$ 110,639</u>	<u>\$ 2,986</u>	<u>\$ 316,626</u>	<u>\$ 430,251</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	\$ 2,173	\$ -	\$ -	\$ 2,173
Total Liabilities	<u>2,173</u>	<u>-</u>	<u>-</u>	<u>2,173</u>
Fund Balance:				
Nonspendable Fund Balances	449	-	-	449
Restricted Fund Balances	108,017	2,986	316,626	427,629
Total Fund Balance	<u>108,466</u>	<u>2,986</u>	<u>316,626</u>	<u>428,078</u>
Total Liabilities and Fund Balance	<u>\$ 110,639</u>	<u>\$ 2,986</u>	<u>\$ 316,626</u>	<u>\$ 430,251</u>

Cardiff School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds June 30, 2023

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Cafeteria Fund	Building Fund	Capital Facilities Fund	
Revenues				
Federal Revenue	\$ 89,817	\$ -	\$ -	\$ 89,817
Other State Revenue	254,467	-	-	254,467
Interest and Investment Income	1,440	50	6,668	8,158
Other Local Revenue	8	-	25,997	26,005
Total Revenues	<u>345,732</u>	<u>50</u>	<u>32,665</u>	<u>378,447</u>
Expenditures				
Current Expenditures:				
Pupil Services	282,543	-	-	282,543
General Administration	-	-	52,821	52,821
Total Expenditures	<u>282,543</u>	<u>-</u>	<u>52,821</u>	<u>335,364</u>
Net Change in Fund Balance	<u>63,189</u>	<u>50</u>	<u>(20,156)</u>	<u>43,083</u>
Fund Balance, Beginning of Year	45,277	2,936	336,782	384,995
Fund Balance, End of Year	<u>\$ 108,466</u>	<u>\$ 2,986</u>	<u>\$ 316,626</u>	<u>\$ 428,078</u>

Other Supplementary Information

Cardiff School District

Local Education Agency Organization Structure
June 30, 2023

The Cardiff School District was established on February 10, 1913 and is comprised of an area of approximately 3.2 square miles in San Diego County. There were no changes in the boundaries of the District during the current year. The District currently operates two elementary schools serving grades K-6.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Rhea Stewart	President	Four Year Term Expires November 2024
Nancy Orr	Clerk	Four Year Term Expires November 2024
Andrew Howard	Member	Four Year Term Expires November 2026
Ashok Swaminathan	Member	Four Year Term Expires November 2026
Shad Thielman	Member	Four Year Term Expires November 2026

ADMINISTRATION

Jill Vinson
Superintendent

Courtney Jasper
Chief Business Official

Cardiff School District

Schedule of Average Daily Attendance Year Ended June 30, 2023

	Second Period Report		Annual Report	
	Certificate #ED39DB3B		Certificate #5BF6DBB5	
	Original	Revised	Original	Revised
Grades TK/K-3:				
Regular ADA	343.22	N/A	343.73	N/A
Total Grades TK/K-3	343.22	N/A	343.73	N/A
Grades 4-6:				
Regular ADA	257.89	N/A	258.57	N/A
Total Grades 4-6	257.89	N/A	258.57	N/A
Total ADA	601.11	N/A	602.30	N/A

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

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

Cardiff School District
Schedule of Instructional Time
Year Ended June 30, 2023

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Kindergarten	36,000	46,800	0	46,800	180	0	180	Complied
1st Grade	50,400	53,190	0	53,190	180	0	180	Complied
2nd Grade	50,400	53,190	0	53,190	180	0	180	Complied
3rd Grade	50,400	56,910	0	56,910	180	0	180	Complied
4th Grade	54,000	56,910	0	56,910	180	0	180	Complied
5th Grade	54,000	56,910	0	56,910	180	0	180	Complied
6th Grade	54,000	56,910	0	56,910	180	0	180	Complied

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

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

- To pupils in Kindergarten 36,000 minutes
- To pupils in grades 1 to 3 50,400 minutes
- To pupils in grades 4 to 8 54,000 minutes
- To pupils in grades 9 to 12 64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

- EC §46112: Grades 1 to 3 230 minutes
- EC §46113: Grades 4 to 8 240 minutes
- EC §46114: Kindergarten 180 minutes
- EC §46141: Grades 9 to 12 240 minutes

Cardiff School District

Schedule of Financial Trends and Analysis Year Ended June 30, 2023

<u>General Fund</u>	<u>Budget 2024 (See Note 1)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues and Other Financing Sources	\$ 13,770,511	\$ 14,394,371	\$ 11,765,444	\$ 10,907,636
Expenditures and Other Financing Uses	13,332,943	12,915,611	11,633,102	11,874,121
Net Change in Fund Balance	437,568	1,478,760	132,342	(966,485)
Ending Fund Balance	<u>\$ 3,670,746</u>	<u>\$ 3,233,178</u>	<u>\$ 1,754,418</u>	<u>\$ 1,622,076</u>
Available Reserves (See Note 2)	<u>\$ 1,314,693</u>	<u>\$ 1,671,090</u>	<u>\$ 1,311,575</u>	<u>\$ 1,389,327</u>
Available Reserves as a Percentage of Total Outgo	<u>9.86%</u>	<u>12.94%</u>	<u>11.27%</u>	<u>11.70%</u>
Long Term Debt (See Note 3)	<u>\$ 31,505,211</u>	<u>\$ 33,233,569</u>	<u>\$ 31,735,897</u>	<u>\$ 32,918,650</u>
Average Daily Attendance at P2	<u>593</u>	<u>601</u>	<u>583</u>	<u>616</u>

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

The general fund balance has increased by \$1,611,102 (99.32%) over the past two years. The fiscal year 2023-24 budget projects an increase of \$437,568 (13.53%). For a district of this size, the State recommends available reserves of the greater of \$71,000 or 5% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has decreased by \$314,919 over the past two years.

Average daily attendance (ADA) has decreased by 15 as compared to ADA funded in 2020-21. As a result of the COVID-19 pandemic there was no attendance reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 ADA reported.

Notes:

1. Budget 2024 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances contained within the general fund.
3. Long Term Debt consists of general obligation bonds and certificates of participation.
4. GASB Statement No. 54 requires the inclusion of the Special Reserve Fund for Other Post-Employment Benefits (Fund 20) with the General Fund for reporting purposes only. This schedule has been prepared without the inclusion of Fund 20.

Cardiff School District

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

	General Fund (Fund 01)	Special Reserve Fund for Other Postemployment Benefits (Fund 20)	Bond Interest and Redemption Fund (Fund 51)
June 30, 2023, annual financial and budget report fund balances	<u>\$ 3,233,473</u>	<u>\$ 1,181</u>	<u>\$ 2,240,470</u>
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance:			
Overstatement of Lease Receivable	(67,363)	-	-
Overstatement of Deferred Rent	67,068	-	-
Cash in County Treasury FMV Adjustment	-	-	(61,107)
GASB 54 Fund Presentation	<u>1,181</u>	<u>(1,181)</u>	<u>-</u>
Net adjustments and reclassifications	<u>886</u>	<u>(1,181)</u>	<u>(61,107)</u>
June 30, 2023, audited financial statement fund balances	<u>\$ 3,234,359</u>	<u>\$ -</u>	<u>\$ 2,179,363</u>
	Child Care Services Enterprise Fund		
June 30, 2023, annual financial and budget report net position	<u>\$ (219,599)</u>		
Adjustments and reclassifications:			
Increasing (decreasing) the net position:			
Understatement of Deferred Outflows of Resources	182,326		
Understatement of Net Pension Liability	(37,946)		
Overstatement of Total OPEB Liability	19,259		
Understatement of Deferred Inflows of Resources	<u>(191,153)</u>		
Net adjustments and reclassifications	<u>(27,514)</u>		
June 30, 2023, audited financial statement net position	<u>\$ (247,113)</u>		

Note 1: The Special Reserve Fund for Other Post-Employment Benefits (Fund 20) does not meet the definition of a special revenue fund under the provisions of GASB Statement No. 54. As a result, the fund is being combined with the General Fund for presentation in the basic financial statements.

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

Cardiff School District

Schedule of Charter Schools

Year Ended June 30, 2023

The Cardiff School District has not authorized any 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.

Other Independent Auditors' Reports

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

To the Board of Education
Cardiff School District

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

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



El Cajon, California
December 15, 2023

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

To the Board of Education
Cardiff School District

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

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

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

Basis for Opinion on Each Applicable State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

		Procedures Performed
<u>School Districts, County Offices of Education, and Charter Schools</u>		
T.	California Clean Energy Jobs Act.....	N/A
U.	After/Before School Education and Safety Program.....	N/A
V.	Proper Expenditure of Education Protection Account Funds.....	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X.	Local Control and Accountability Plan.....	Yes
Y.	Independent Study - Course Based.....	N/A
Z.	Immunizations.....	No
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	No
CZ.	Career Technical Education Incentive Grant.....	N/A
EZ.	Transitional Kindergarten.....	N/A

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

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

We did not perform procedures for Expanded Learning Opportunities (ELO-G) because the district did not expend any funds in the program.

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

Report on Internal Control over State Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.



El Cajon, California
December 15, 2023

Auditor's Results, Findings & Recommendations

Cardiff School District

Schedule of Auditor's Results

Year Ended June 30, 2023

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?

 Yes X No

One or more significant deficiencies identified that are
not considered material weakness(es)?

 Yes X No

Noncompliance material to financial statements noted?

 Yes X No

STATE AWARDS

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

Unmodified

Internal control over applicable state programs:

One or more material weakness(es) identified?

 Yes X No

One or more significant deficiencies identified that are
not considered material weakness(es)?

 Yes X No

Any audit findings disclosed that are required to be reported
in accordance with *2022-23 Guide for Annual Audits
of California K-12 Local Education Agencies?*

 Yes X No

Cardiff School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* or the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

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

A. Financial Statement Findings

None

B. State Award Findings

None

Cardiff School District

Schedule of Prior Year Audit Findings Year Ended June 30, 2023

Finding/Recommendation	Status	Explanation if Not Implemented
There were no findings reported in the prior year audit		